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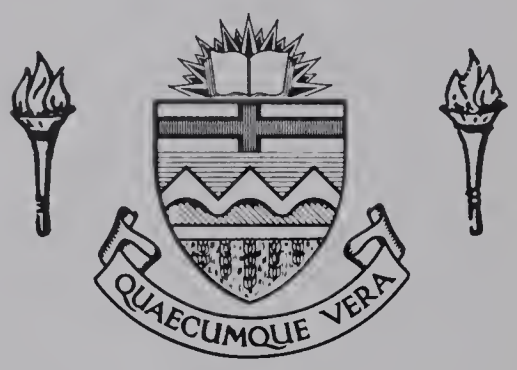

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DEGREE FOR WHICH THESIS WAS PRESENTED ..... MASTERS OF ARTS .....

YEAR THIS DEGREE GRANTED ..... 1979 .....

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A 'MARBLE CAKE' VIEW OF CANADIAN FEDERALISM

by

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A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF ARTS.

DEPARTMENT OF POLITICAL SCIENCE

EDMONTON, ALBERTA

SPRING, 1979

THE UNIVERSITY OF ALBERTA

FACULTY OF GRADUATE STUDIES AND RESEARCH

The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies and Research, for acceptance, a thesis entitled A 'Marble Cake' View of Canadian Federalism

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submitted by Lorna Pawluk

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in partial fulfilment of the requirements for the degree of

Master of Arts

In memory of my grandma,
Mrs. Victoria Pawluk

ABSTRACT

The traditional view of Canadian federalism emphasizes the rigid division of powers, as outlined in the British North American Act — the three levels of government have powers and rights with which to fulfill their constitutional mandates. While this approach acknowledges federal-provincial contact, it either ignores or minimizes federal-municipal and federal-provincial-municipal (tri-level) contact in Canada. The image evoked by this view is analogous to a three layer cake, with the federal and provincial 'layers' stacked neatly on the municipal 'layer' which, in turn, rests immediately upon the people.

This paper challenges the traditional interpretation with an application of the 'marble cake theory', derived by Morton Grodzins in the United States. This point of view likens governmental interdependence and intergovernmental contact to the swirls of batter and color in a marble cake. Grodzins maintains that the interdependence and interminglednes blurs the constitutional division of powers in the American Federal system, so that one government is not 'closest' to the people.

The marble cake view is equally applicable to the Canadian federal system. In this country, as in the United States, governmental activity is shared and intermingled and all three levels are close to the people. Three case

studies, agenda items of a local tri-level committee (the Edmonton Intergovernmental Information Committee), demonstrate the extent of tri-level contact in Canada and the way tri-level consultation contributes to the Canadian marble cake.

ACKNOWLEDGEMENTS

Many people helped me to complete this thesis and all deserve a hearty thank you. But I would like to acknowledge the contribution of my advisor, Jack Masson, who introduced me to the marble cake 'recipe' and who endured several drafts before the final copy. I also thank the other members of my committee, Dr.J. Peter Meekison, who gave me access to the files of the Department of Federal and Intergovernmental Affairs and Prof. M. McMillan of Economics, whose comments made this a better thesis. To Myrna Garanis, the department librarian — what will we do without you? Special thanks to Jim Lightbody, whose comments and encouragement were invaluable. Thanks to my sisters, Valerie and Joanne, who suffered my handwriting when they typed draft number two. And finally, my parents, Paul and Helen Pawluk encouraged and supported me in a million ways. I can never repay them.

Lorna Pawluk

TABLE OF CONTENTS

CHAPTERS		PAGE
I	A NEW THEORY OF FEDERALISM	1
	The Marble Cake Theory of Federalism.....	3
	The Canadian View of Federalism.....	9
	The Marble Cake in Canada.....	16
	Is Municipal Government Closest?.....	16
	Government Policies and the Marble Cake...	18
	Decentralized Power Darkens the Swirls....	26
	The Municipal Finance Predicament.....	27
	Summary.....	28
II	METHODOLOGICAL CONSIDERATIONS.....	32
III	THE TOUR OF TRANSPORTATION PLANNERS	43
	Chronology of Events.....	44
	Summary.....	50
IV	THE POLICE HEAQUARTERS PROJECT	53
	Chronology of Events.....	54
	Summary.....	63
V	THE CAPITAL ASSISTANCE PROGRAM	66
	Chronology of Events.....	68
	Summary.....	83
VI	CONCLUSIONS	86
	APPENDIX: Federal and Provincial Transfers to Canadian municipalities.....	111

CHAPTER 1

A NEW THEORY OF FEDERALISM

The traditional interpretation of Canada's federal system does not deviate markedly from the image evoked by the British North America Act: the federal and provincial governments possess rights and powers to meet statutory obligations, while municipalities hold power and execute responsibilities delegated by the various provinces. This view conjures an image of a three layer cake, with the federal and provincial layers stacked neatly above the municipal layer. The municipal layer in turn, rests immediately above the people.[1]

But patterns of interaction in Canada's federal system diminish the credibility of this view. All three governments are now involved in similar policy areas. Functions overlap and activities of one government affect other governments. While provincial constitutional control over municipalities cannot be denied, federal-municipal and federal-provincial-municipal contact are significant forces in Canada's federal system. The growth of the welfare state has brought all three governments into direct contact with people, so that is is inaccurate to say that one government is closer to the people than any other government. According to Morton Grodzins, who studies the American federal system, the image evoked by these forces is not that of a three-layer cake but rather one of a marble cake.

> [The marble cake is]...characterized by an inseparable mingling of differently colored ingredients, the colors appearing in vertical and horizontal strands and unexpected whirls. As colors are mixed in the marble

> cake, so functions are mixed in....[Canada's] ....federal system. 2

This chapter outlines the Grodzins theory and applies it to Canada. The chapter also includes an assessment of the way four major works on Canadian federalism look at federal-municipal contact. The rest of the study concentrates on the role of the Edmonton Intergovernmental Information Committee (EIIC), a tri-level mechanism that coordinates matters concerning the City of Edmonton, the province of Alberta and the government of Canada. Chapters III, IV and V are case studies, items selected from the EIIC agenda to examine the committee's role in intergovernmental consultation. The methodological considerations in the selection of the case studies and factors of analysis are included in Chapter II. Finally, Chapter VI will present a summary of and conclusions about the applicability of the marble cake theory to Canada and the way in which tri-level committees contribute to intergovernmental contact in Canada.

The Marble Cake Theory of Federalism:

Morton Grodzins maintains that the functions and powers of each American governmental unit are intermingled and shared so as to obscure the divisions between them and to affect the activities of the others. Contrary to the layer cake view, Grodzins notes that few governmental activities respect constitutional boundaries or are exclusive to one level:

> Federal expertise is available to aid in the building of a local jail (which may later be used to house federal prisoners), to improve a local water purification system, to step up building inspections, to provide standards for state and local personnel in protecting housewives against dishonest butchers' scales, to prevent gas explosions or to produce a land use plan. States and localities, on the other hand, take important formal responsibilities in the development of national programs for atomic energy, civil defense, regulation of commerce, and the protection of purity in foods and drugs; local political weight is always a factor in the operation of even a post office or military establishment.[3]

The health officer "...embodies the whole idea of the marble cake of government..."[4] because he enforces local water purity ordinances, state industrial hygiene laws and federal drug standards. His salary is paid by the federal and state governments, and his office space is provided by the local government.

Implicit in the layer cake view is the notion that the federal government is 'farthest' from the people, while local government is 'closest'.[5] (Closeness can mean several things: provision of services directly to the people, public participation, degree to which the public understands governmental responsibilities and powers; and public identification with one of the three governments). According to the shared-functions perspective assumed by Grodzins, however, close government is not synonymous with local government. All three governments provide services directly to the people. Federal services range from old age payments to veterans' benefits and mail delivery; state services, from highways and hospitals

to welfare and recreation programs; and local services from education to police protection. Those responsibilities that have the largest impact such as taxation, are shared by the three governments.[6] Citizen participation, taken as voting clearly contradicts the idea that local government is close government: voter turnout levels for local elections are consistently lower than turnout levels for national elections.[7] Nor does closeness as understanding uphold the layer cake view. Grodzins notes that in this day of complex governmental structure, citizen understanding is at a low ebb:

> For the great metropolitan areas, including the suburban fringes, the overlapping of functions is extreme, and citizen comprehension of local government affairs is at its lowest. And it is worth remembering that most Americans live in these areas.[8]

As for closeness as identification, Americans are "...more likely...to think of themselves as Americans than as Illinoisians, Little Rockians, Casa Grandians, New Yorkers, or even Texans."[9]

While closeness does not vary between levels of government, variations exist between urban and rural areas. No attempt by any urban-oriented program to personalize its services can duplicate the care taken when family and friends administer policy, a situation common in rural areas. Moreover, some rural services are less complex, and thus more easily understood, than urban services. Because of the higher ratios of governmental employees to clients and

and familiarity in rural areas, citizen participation in rural areas is generally higher than urban participation. Finally, all three governments provide services directly to people, thereby dispersing the citizens' sense of identification.[10]

The layer cake view does not acknowledge the avenues which result in direct local-federal contact nor the methods by which the federal government influences local policy-making. One such avenue in the United States is the federal grant-in-aid, which channels funds through state offices for the provision of services at the local level.[11] First used in the 1884 Hatch Act which established agricultural experimental stations, the grant-in-aid is now used for national highway, employment security, agricultural extension, forestry, vocational education and rehabilitation and public health programs, all of which are administered by local governments.[12] It is, however, "...widely believed to illustrate the proper federal-local relationship and ...often falsely assumed to be the only one."[13] But many other programs that result in federal-local contact. One example is national programs that force states and local governments to create special administrative units. The national Department of Agriculture compelled several state governments to establish advisory boards, associations and cooperatives that function at the local level.[14]

Other programs, while defined by national legislation, are implemented by state and or local apparatuses. These include the national Selective Services System and the

Civil Defense organization. As a result of more federal activity in public housing, and urban redevelopment civic appointees to public housing boards administer federally-aided and formulated programs.[15] Finally, the federal government assists local governments with direct grants for public housing, airports, watershed protection, flood control, and disaster relief and with technical advice on a wide variety of matters.

Daniel Elazar, another proponent of the marble cake view of federalism, acknowledges the extent of direct federal aid to localities.

> Contrary to the general impression, the federal government has been supplying direct aid to local communities since the early nineteenth century, then as now, primarily in the field of internal improvements and secondarily in the field of education. 16

Even though state legislatures retain constitutional control over local goverments, the unprecedented magnitude of physical and social problems now confronting cities will compel more federal aid, says Elazar.[17]

The dispersion and decentralization of power in the United States reinforces the marble cake view: because one level of government does not monopolize the political power, all three governments influence the policies and decisions of the other governments. Grodzins notes the sources of this decentralization. First, "...the simple historical fact that the states existed before the union..."[18] permitted the previous solidification of local and state power structures

and concerns. Second, the general tendency of Americans to distrust central authority means a belief in the strength and vitality of local government. Third, the size of the country compels citizens to take pride in and to identify with local and state concerns. Fourth, the sheer wealth of the country eliminates the need for "...the tight organization of political power that must follow when the support of one program means the deprivation of another."[19]

The most important decentralizing power in the United States, according to Grodzins, is the party system. Lacking tight discipline and organization, national political parties do not monopolize national decision-making. National leaders whose political bases are at the state and local level are not prevented by party discipline from articulating local or state interests in national policies. The absence of a strong party platform creates a policy hiatus, filled by government administrators who often handle individual case work in exchange for congressional budgeting and legislative support. Similarly this gap is filled by interest groups, individuals and institutions having access to the decision-making process.[20]

To summarize, then, the examination of shared functions undertaken by Grodzins diminishes the credibility of the traditional layer cake view of American federalism, which places local government closest to the people with little, if any, federal participation in local affairs. Closeness, as defined by the direct provision of services,

participation, understanding or identification, is not exclusive to local government.

> By any standard federal activities....are as "close" to the citizen as any activities of the states or localities. To deny the local character of federal activities one would be forced to deny the local character of local governments. Closeness to the citizen is an attribute of all American Governments. Local is as local does. 21

Federal activity in areas of local concern (and the resulting impact of federal policy on local policy) also blurs the division of responsibilities outlined in the layer cake view. National programs force state and local governments to establish special administrative units for local or urban programs; force existing state and local administrative mechanisms to adapt to nationally-formulated policy; provide grants-in-aid to states for local services; and provide grants that are transferred directly to localities. Finally, the history, size, wealth and traditions of the United States, plus the structure of political parties, create a dispersed and decentralized power structure in which one government does not monopolize decision-making.

The Canadian View of Federalism

Perusal of the literature in Canada's federal system shows that Canada is studied from the layer cake point of view, an approach that emphasizes the rigid division of power and overlooks federalism's adaptability and flexibility.[22] The post-war studies concentrate on the formal, legal and institutional aspects of federalism,[23] while more recent

works also examine ethno-linquistic relations,[24] regional identities,[25] political parties,[26] relations between federal and provincial bureaucracies,[27] constitutional change[28] and class elite interaction.[29] But the key to the federal principle, according to the bulk of the literature, is the institutional and structural framework of federal-provincial interaction. There are four major works on Canadian federalism which reveal an institutional/structural bias and a general disregard for local institutions. They are : Federal-Provincial Diplomacy, The Making of Recent Policy in Canada,[30] Divided Loyalties: Canadian Concepts of Federalism,[31] "The Five Faces of Federalism"[32] and Canada in Question: Federalism in the Seventies.[33]

In his study, Federal-Provincial Diplomacy, The Making of Recent Policy in Canada, Richard Simeon examines "...direct negotiation between the executives [and officials] of different governments..."[34] or 'federal-provincial diplomacy'. He applies a model of negotiation and decision-making adapted from international conflict resolution models to three case studies of federal-provincial negotiation—the pension plan, financial arrangements and constitutional amendment — and concludes that federal-provincial bargaining shapes Canadian federalism.[35]

Simeon's view of local government is outlined in a brief passage on the 1963 negotiation of the Municipal Loan Fund, a federal program establishing low cost loans for municipal make-work projects. According to the author, the provinces would not support the proposal because they saw it as a federal attempt to fund municipal development rather than

an attempt to ease unemployment.[36] Only when the federal government revised the proposal according to provincial demands was the fund approved. Simeon attributes the federal capitulation to the provincial constitutional hegemony in local matters.

> The undisputed provincial jurisdiction over local governments provided a good part of their leverage in getting the federal government to make changes in the Municipal Loan Fund. 37

From Simeon's layer cake perspective, the provincial government exerts absolute control over municipalities — even though the federal government initiated programs and even though federal money (albeit under conditions stipulated by the provinces) funded local projects.

Edwin Black, in Divided Loyalties: Canadian Concepts of Federalism, attempts "...to seek out and identify the basic images Canadians hold of their federal system....[and then to] ...elucidate and analyze them."[38] He concludes that there are five basic concepts. The first is the centralist concept that views the federal system as an interim measure necessary only until the country is sufficiently unified to reduce the provinces to administrative units of the central regime. Second is the administrative concept which emphasizes expansion of federal and provincial activity and envisions extensive intergovernmental co-operation. Third is the co-ordinate concept which sees both strong federal and provincial governments within their respective constitutional areas. The fourth is the compact theory which

sees the Canadian Union as a pact among several states, which delegate only limited authority to the new central government. Finally is the dualist concept which maintains that Confederation is an agreement between two races, cultures or linguistic groups (i.e. Quebec and the Anglophone provinces).[39]

Black concludes that although each concept describes Canada at a point in its development, none precisely describes the present situation.[40] The centralist image ignores regional and ethno-linguistic cleavages while the dualist concept recognizes only the latter. The activist role of both the federal and provincial governments render the compact theory "... anachronistic..."[41] while the administrative concept ignores the basic inability of federal-provincial bargaining to address several important issues.[42]

Once again, the layer cake perspective dominates: even though Black admits that Canadian governments "... are activist and interpenetrating at all three levels ...,"[43] none of the five concepts addresses the role of local government or the federal-local relationship. All are limited to the federal-provincial relationship since 1867, placing municipal government in a minor position. And if, in fact, the author explored all the concepts held by Canadians, it would appear that Canadian citizens do not see tri-level or federal-municipal interaction as a potent force in Canada.

"The Five Faces of Federalism" by J. R. Mallory also considers five forms assumed by the federal principle in Canada since 1867.[44] These stages are: quasi-, classical, emergency, cooperative and double image federalism. The period immediately following Confederation until roughly World War I, during which time the federal government was much stronger than the province, is quasi-federalism. During this time, "... Ottawa was both a national coalition and a concentration of political talent which was bound to leave little political weight in the provinces."[45] The interwar period, shaped by judicial interpretation based on the water-tight compartment principle, is classical federalism.[46] The extreme centralization of the war time emergency situation "... made Canada a unitary state for the duration."[47] The fourth face, cooperative federalism, is characterized by official consultation on joint programs, federal delegation to provincial regulatory agencies and federal spending in matters of provincial and local concern. Both governments retain their constitutional powers and responsibilities but

> "... the demands of modern government and the immense financial resources of the central authority have forced an incestuous relationship in which administrative co-operation has become an effective device of control and initiative from the centre."[48]

Double image federalism, the fifth face, includes both federal-provincial and French-English relations. The provinces and the federal government must negotiate to

balance provincial needs with federal powers and simultaneously recognize the unique position of Quebec.[49]

Once again, a major examination of Canada's federal system overlooks the role of local government. Although the author admits that one device for flexibility in co-operative federalism is "... federal spending on matters which fall within provincial and/or municipal jurisdiction ...,"[50] he does not explore the effects of federal incursions. The main thrust of the 'five faces' argument posits federal-provincial contact as the only significant intergovernmental relationship in Canada.

In his book Canada in Question: Federalism in the Seventies, D.V. Smiley examines constitutional reform, fiscal and economic policies, the energy issue, political parties, cultural dualism, federal-provincial negotiations and regionalism as they affect Canadian federalism.[51] He concludes that neither constitutional reform nor judicial interpretation is sufficiently responsive to Canada's changing circumstances and that federal and provincial wings of political parties cannot authoritatively resolve problems in Canada. Only executive federalism, or consultation ".... between elected and appointed officials of the two levels of government...,[52] can resolve conflicts within Canada's federal system.

Smiley attributes the extent of intergovernmental consultation in this country to several factors: the

broadened scope of all governmental activity, the federal government's desire to establish minimum national standards for certain public services, contemporary taxation levels and the "... deliberate use of fiscal policy by federal and provincial governments to secure employment, growth and price stability...."[53] Smiley's major concern is the emasculation of federal powers by the provinces because "... further retreats by federal governments ... may challenge Canadian nationhood in its most essential elements."[54]

Unlike the other works examined here, Canada in Question deals with tri-level discussion and the federal role in urban policy. Smiley does not recognize the existence of a national urban policy and attributes this hiatus to the lack of control exerted by the Ministry of State for Urban Affairs over other federal departments. Moreover:

> ... the aggressiveness of the provinces has inhibited the kinds of direct federal-municipal relations which are common in the United States. For several reasons, Canadian municipalities have been relatively ineffectual in influencing federal and provincial governments - perhaps because of the traditions of local democracy; because the Canadian Federation of Mayors and Municipalities has lacked effective research and staff services and represents the divergent interests of all kinds of municipalities; because the CFMM in dealing with Ottawa and the provinces is a pressure group rather than a government.[55]

Smiley makes two critical assumptions in his argument: first that the major vehicle for federal participation in local concerns is the Ministry of State for Urban Affairs;

and second, that the Canadian Federation of Mayors and Municipalities (now the Federation of Canadian Municipalities) is the only tool by which Canadian municipalities can influence federal policy. Most federal departments offer programs directly relating to local affairs.[56] To say that the CFMM (or FCM) is the major articulator of municipal grievances is to ignore the political clout wielded by mayors of Canada's major cities.

The Marble Cake in Canada

The 'layer cake' view pervading the literature on Canadian federalism does not acknowledge the extent of intermingledness resulting from federal, provincial and municipal policies that overlap or affect each other. Nor does it recognize the number of functions, or policy areas, which are shared by all three Canadian governments. But application of the marble cake review demonstrates these patterns of interaction, which do characterize Canada's federal system. Moreover, in Canada, as in the United States, the idea of municipal government as close government is as inappropriate for Canada as it is for the U.S. Finally, centrifugal forces disperse and decentralize political power and, consequently, decision-making in Canada.

Is Municipal Government Closest?

If the layer cake theory accurately represents Canada's federal system, then municipal government should be 'closer' to the people than the provincial or federal governments. But applying Grodzins' measures of closeness to Canada casts doubt on this view.[57] There are many

examples of federal direct-to-people programs: mail delivery, police protection, social services, health care and family allowances. Direct personal taxation, comprising roughly 37% of federal revenue, touches every working Canadian.[58] Closeness as participation also challenges the idea that municipal government is close government. While local government is geographically closer, mere propinquity does not ensure influence. The recent refusal of Edmonton City Council to recind its salary increase, despite public outcry, is only one example.[59] Although city councils have reversed planning decisions to suit the demands of some neighborhoods,[60] they often turn a deaf ear. Stephen Clarkson, mayoralty candidate in the 1969 Toronto civic election, writes:

> [T]he unorganized citizen finds that the nominally democratic [local government] system mysteriously works against him. If he wants to resist a new high-rise development in his area by organizing a resident's association, he finds he is pitted against city lawyers who are paid out of his own taxes to support the business interests that threaten the stability of his neighbourhood. If his group hires a lawyer to help him draft their case, who pays the fee? Not the city. While often vocal, the ratepayers organization normally suffers from very weak resources of personnel and expertise. The organization has difficulty getting information about development plans affecting the area in question. It is not easy to find one's way through the maze of City Hall offices. Anyone who has had a run-in with the city over a street widening or a rezoning knows only too well the meaning of the most depressing of modern adages, "You can't fight City Hall."[61]

Participation as voting also contradicts the notion of

'close' municipal government: voter turnout levels in local elections are almost always lower than turnout levels in provincial or federal elections.[62] Public identification as closeness also favors the marble cake view. Research on the attitudes of Albertans suggests that the provincial and federal governments are seen as more important than local government.[63]

Government Policies and the Marble Cake

Also supporting the Canadian marble cake is the number of ways the federal government may influence local activity. Grodzins notes that in the United States, federal avenues to local activity include direct-to-people services; national programs that force states and localities to establish new administrative organs; national programs that are implemented by existing state or local apparatus; and grants and other aid directly to localities.[64] Similar devices are used by the Canadian federal government. Federal direct to people services include, among others, family allowance and pension payments, an array of social programs, the Canadian health insurance scheme and mail delivery. Federal programs such as the Agricultural and Rural Development Act (ARDA) and housing legislation, forced provinces and municipalities to establish administrative boards.[65] Health and education programs are administered by existing provincial and local administrative apparatus. Grants and other direct aid to municipalities, such as the Municipal Sewage Treatment Program and the

Municipal Improvements Assistance Act,[66] are other avenues for federal participation in local activities.

Contrary to the layer cake view, the Canadian federal system abounds with examples of intermingled or shared functions. These functions bring the federal government into direct contact with both local governments and the Canadian people. When Canadian citizens decide to travel to certain countries abroad, federal regulations necessitate immunization. In these instances, municipal health officials administer the vaccine. During its recent fiscal rationalization, the Department of National Defence decided to phase out its northwest Calgary operation. The shutdown meant the loss of some 500 jobs in service industries associated with the base. Those dislocated by the changes probably depended on federal unemployment insurance or provincial and municipal social services until they obtained new employment. A municipal police officer personifies the interdependence in Canada's federal system. During the course of his duties, he does not discriminate between the federal, provincial and municipal jurisdictions. He enforces federal statutes, the Criminal Code of Canada, provincial laws and municipal by-laws and ordinances.[67]

Examination of federal activity in local concerns shows the interminglednes of the federal system in Canada. For example, prior to the 1930's, social services, housing and health fell within the municipal ken. But the economic

crisis forced many people to go to municipalities for relief and when municipal resources were exhausted, provincial governments, the guarantors of municipal debt, assumed municipal responsibilities.[68] The magnitude of the problems also necessitated federal assistance: measures such as the Dominion Housing Act (1935) and the Prairie Farm Rehabilitation Act (1935) stimulated the economy and provided jobs.[69] The proliferation of governmental policies in all areas during the post-war reconstruction period firmly entrenched this trend. And as governmental activity continues to grow, government policies at all levels will become even more intertwined.

Agricultural, industrial development and job creation programs also bring the federal government into direct contact with municipalities. Programs such as the Prairie Farm Rehabilitation and Development Act (PFRA) and the Fund for Rural Economic Development (FRED) were "...a direct response to the consequences of centralizing population, employment opportunities, and manufacturing in cities, and to changes in methods of agricultural production."[70] By encouraging private industries to locate in an area of high unemployment, the Federal Department of Regional Economic Expansion directly influences municipal housing policy and settlement patterns.[71] The municipal government must accommodate the influx of people who relocate to be near

their work. Job creation programs, such as Winter Works and the Local Initiatives Program, bring the federal government into direct contact with municipal governments. For example, the 1959 Winter Works Program provided partial federal funding for specific local make work projects, which were administered by municipalities.[72]

Policing, which now involves all three governments, clearly illustrates the interminglednes of Canada's federal system. Each government passes laws and regulations which it must enforce. Federal enforcement personnel includes the National Harbour Police and the RCMP[73] and eight of the ten provinces use the RCMP as the provincial police force. (Only Quebec and Ontario maintain separate forces.)[74] Larger urban municipalities generally have their own police, but smaller centres that cannot afford separate forces contract out their enforcement work to the RCMP.[75] And officers at all three levels enforce the laws of other governments and cooperate with their counterparts at other levels.

Despite Section 93 of the BNA Act, all three governments in Canada are involved in education. In all of the provinces, but Newfoundland, the provincial government establishes education policy and guidelines while the local school boards handle day-to-day school operations.[76] Although the federal government has no constitutional power over education <u>per se</u>, it is completely responsible

for the education of certain groups, including Indians and Eskimos, residents of the Yukon and North West Territories, inmates of federal penal institutions and Armed Forces personnel. Another major avenue for federal participation is the rather broad definition of 'education':

> If the label "education" is applied.... [to a program then it is] ... within provincial jurisdiction. But there are some areas which may or may not be "education" - if they are not, then they become federal responsibilities .... An example of this is the use of the word "training" instead of "education" in the federal vocational training acts....[77]

Examples here include the Adult Occupational Training Act,[78] the Canada Manpower Industrial Training Program, the Technical Education Act and the Youth Training Act.[79] Finally, grants to Universities and bi-lingual training grants are other federal education programs.[80]

Once a municipal or private responsibility, social welfare now involves all three governments. Around the turn of the century, the increased urbanization and complex social problems that attend industrialization forced the provinces to assume some responsibility for social welfare.[81] Federal participation began with programs for World War I veterans.[82] The economic conditions of the 1930's and the post-world War II reconstruction further expanded the federal role.[83] And today, direct payments to individuals and shared-cost social programs comprise roughly one-third of the federal budget.[84]

Health policy also contributes to the marble cake

image in Canada. As in the case of social welfare, health care was formerly a private or municipal responsibility, but "... the ever-increasing need for sophisticated facilities, technical equipment, and specialized personnel ...[made it]... a problem of national dimensions."[85] Today's federal health care policy has three major components: 1) the medicare program; 2) regulation of drugs and medicine, and 3) research and public health programs.[86] These three components bring the federal government into direct contact with people and with the municipalities, since many health programs, such as immunization, are administered by local health personnel. Finally, the federal government is directly responsible for the health care of Canada's Indians and Eskimos.

Housing policy also darkens the swirls of Canada's marble cake. While the first Dominion Housing Act (1935) was primarily a job creation measures [87] housing policy is now the core of federal urban policy. It brings the federal government into direct contact with people and with local governments. CMHC now offers assistance for single-family dwellings, multiple family dwellings and urban redevelopment. Under its Sewage Treatment Program, CMHC offers grants and preferred loans directly to municipalities for sewage treatment.[88] The Limited Dividend Program provides financing for low cost housing constructed by a province, municipality or private foundation. The

Neighborhood Improvement Program, which makes loans available to municipalities for urban redevelopment, has brought the federal government into community planning. Housing policy is the tool "... whereby federal influence has been involved in changing the residential and domiciliary patterns of Canadians by moving them from rural and small town living to the metropolitan centres."[89]

The Ministry of State for Urban Affairs, ostensibly the major vehicle for federal urban policy, contributes little to the marble cake image in Canada. Established in 1971, MSUA was given research and co-ordination rather than program functions.[90] It was to coordinate all federal urban programs scattered in other departments, and to formulate broad goals for federal urban policy, but it could not garner the support of other federal departments or provincial governments. Critics alleged that the vigorous provincial constitutional position was MSUA's major problem, but this is a facile explanation. The Ministry, itself, was largely responsible for its failure. In 1974, David Cameron wrote:

> [T]here exists a profound vacuum in what was to have been the Ministry's primary task: policy development, policy evaluation and policy coordination. This vacuum arose not simply because it was effectively isolated from the very centres of policy development and programme delivery that it had, of necessity, to influence Second, the failure of the Ministry's coordinators to open channels of influence and persuasion for policy development within the federal government redounded to deny these very co-ordinators the policy proposals that alone could justify their efforts at coordination.[91]

Thus, internal tension, as well as provincial opposition, mitigated MSUA's effectiveness.

One contribution to tripartite relations made by MSUA was tri-level consultation. There are four types of tri-level consultation: national, regional, provincial and local. There have been two national conferences, attended by the federal government, the provincial governments and municipal governments from across Canada.[92] Only one regional conference, where federal representatives met provincial and municipal representatives from one geographic region, has been held: a 1975 Atlantic Region Conference in Moncton.[93] Several provinces held provincial meetings that comprise a federal delegation, a provincial delegation and a delegation representing municipalities within the province. Alberta agreed to two such conferences, first in October of 1975 and then in February of 1977.[94] Local tri-level committees differ somewhat from the other three formats. Whereas political representatives such as cabinet ministers and mayors attend the latter, only civil servants attend the local meetings. Furthermore, local committees discuss items of concern only to a particular city and, as such, deal with specific items.

Local committees have been more enduring than national, regional or provincial meetings. The national conferences failed largely because of the disparate character of the country. Since municipal problems in

Newfoundland differ from those in Alberta, discussion was too general to be useful. But the local committees, that could focus their attention on specific problems, flourished in many Canadian cities.[95]

Decentralized Power Darkens The Swirls

Like the United States, Canada has a decentralized power structure: centripetal forces that disperse power allow greater provincial and municipal autonomy. According to D. V. Smiley, political parties are an effective decentralizing force in Canada. By examining electoral dependence and party organization, careers, finance, ideology and symmetry, Smiley measured the extent of federal-provincial party integration and concluded:

> The Liberals are the most confederal, the Conservatives somewhat less so. However, up until the present at least the New Democratic Party has been highly integrated on federal-provincial lines.[96]

An important manifestation of a confederal party system is the failure to resolve intergovernmental conflicts along partisan lines. Canadian history is fraught with examples of conflict between provincial and federal leaders of the same political persuasion. Prime Minister Mackenzie King called an election in response to charges from Ontario Liberal Premier Mitchell Hepburn, who condemned the federal war effort.[97] Prior to the 1963 federal election, Quebec Liberal Premier Jean Lesage embarrassed the Pearson government by criticizing the future of federal-provincial

fiscal relations.[98] Interprovincial conflict also ignores party ties: during the recent energy negotiations, two Conservative Premiers, Peter Lougheed in Alberta and Bill Davis of Ontario, clashed over oil-pricing policy.

The integrative capacity of the major political parties is further diminished by their failure to contest local elections. Evidence also suggests that the major parties, except possibly the NDP, cannot adapt to the organization of a successful local political machine, which is highly personal and dependent upon grassroots support.[99] Since the national parties are not active in local politics, the vacuum has been filled by non-partisan political organizations or 'alphabet parties' that have little, if any contact, with established parties.[100]

The Municipal Finance Predicament

The financial status of Canadian municipalities is further evidence that Grodzins' marble cake theory applies to Canada. Caught between increasing responsibilities and an inelastic tax base, Canadian municipalities depend on grants from other governments. With the rapid urbanization in Canada, urban municipalities must provide serviced land for housing and support facilities for recreation, health and social welfare.[101] And municipal revenue, derived chiefly from property tax,[102] cannot keep pace.[103] Because the municipality exerts little legislative control over services such as education, it must expand its staff and

facilities to meet priorities established elsewhere. The gap between municipal revenue and responsibilities is consequently filled by federal and provincial grants. Since the other governments are understandably reluctant to expend funds over which they have no control, the bulk of the transfers are conditional.

Between 45 and 50 percent of municipal revenue comes from the province, the constitutional master of the municipality.[104] And despite constitutional restrictions, municipalities receive direct aid from the federal government. Between 1969/70 and 1974/75, federal grants constituted roughly 1% of municipal revenue.[105] Almost 70% of provincial grants go toward education, while most federal grants go toward sewage treatment and housing.[106] Admittedly, the amount of federal money received by municipalities pales next to the sum of provincial grants. Less than 1% of municipal budgets cannot be submitted as the solitary premise for the marble cake theory, but the important point here is that contrary to the layer cake view, federal money does support municipal services.

Summary

Four major works on Canadian federalism subscribe to the layer cake view of federalism, emphasizing the rigid division of power and dismissing federal-municipal contact as either insignificant or non-existent. The only governmental interaction recognized is that between the

federal and provincial governments. Other patterns of interaction simply are not addressed by a viewpoint that emphasizes the rigid division of power.

Morton Grodzins suggests that the layer cake view cannot adequately explain the consitutional anomalies in the United States while the marble cake view accommodates both the basic division of power and the contact between governments. He supports this view with evidence that local government is not closest to the people: closeness as participation, understanding, identification or direct services show that all three governments are 'close' to the people. The sharing of functions, plus the interdependence of many government policies, shows the inadequacy of the layer cake theory and the suitability of the marble cake perspective.

Despite differences between Canada and the United States the marble cake view also applies to the Canadian Federal System. All three Canadian governments are interdependent and intermingled. Federal agricultural, industrial development and housing policies influence migration to and settlement patterns in Canadian municipalities. Policing and housing brings the federal government into direct contact with municipalities, while health, welfare and education, once preserves of private and municipal institutions, now concern all three governments.

In Canada, as in the United States, local government

is not necessarily 'closest' to the people. Direct-to-people programs, sense of identity, participation and voting patterns imply that all three governments are 'close' to the people. The dispersed political power means that one government does not monopolize decision-making power. Finally, caught between increasing responsibilities and inadequately increasing revenue, local governments are compelled to participate in federal urban programs.

The existence and extent of federal-municipal contact nor the interminglednes of Canada's federal system does not detract from provincial constitutional authority. The province remains the ultimate authority over the municipality. The provincial government can expel the federal government from local affairs, but often there are powerful incentives to permit federal involvement. In the case of the 'have' provinces, federal money spent on municipal projects frees provincial revenue for other projects. In the case of the 'have-not' provinces, federal funding may be the only means available to address important local concerns. In either case, however, the province is the final authority.

The importance of federal-municipal contact and the interminglednes of the federal system is largely a function of perspective and what one wishes to stress. If an author assumes the layer cake perspective and stresses the extent of federal-provincial cooperation, federal

incursions in local activity can be dismissed as subtle, minor or insignificant. But from a marble cake perspective that seeks out federal-provincial and federal-provincial-municipal interaction, federal incursions can be described as obvious, prominent or significant.

For a great number of intergovernmental contacts, the layer cake presents an accurate view - the federal system generally adheres to constitutional divisions. However, a change in perspective reveals the number of exceptions to constitutional boundaries. From the marble cake perspective, federal participation in municipal concerns and direct federal-municipal contact cannot be dismissed as constitutional mishaps. They become important departures from the norm. And perhaps the most significant strength of the marble cake view is its ability to recognize these 'anomalies' as well as the relatively well-structured division of powers that define Canada's federal system.

CHAPTER II

METHODOLOGICAL CONSIDERATIONS

The rest of this study focuses on the role of local tri-level committees in intergovernmental relations. Agenda items from one such committee, the Edmonton Intergovernmental Information Committee, form three case studies that will be used to show how local tri-level committees foster federal-provincial-municipal and federal-municipal contact. They will determine the way in which these committees contribute to the marble cake image of Canadian federalism.

In March of 1975, the Edmonton Intergovernmental Information Committee (EIIC) was established to deal with matters of concern to the governments of Edmonton, Alberta and Canada. Its standing membership includes the Chief Commissioner (who is also chairman of the committee) and the Intergovernmental Officer representing the City of Edmonton; one official each from the Department of Federal and Intergovernmental Affairs and the Department of Municipal Affairs representing the province of Alberta; and the Senior Co-ordinator of the Prairie Region, Ministry of State for Urban Affairs representing the Government of Canada. Representatives from other government agencies and departments also attend, but their attendance varies with agenda items. (For example, an agenda item dealing with transportation generally means civic, provincial and federal officials from the respective departments of transportation would attend.) The committee meets once a month, usually in Edmonton — meetings are held periodically in Ottawa.[1]

"Case studies may be selected for analysis because of an interest in the case per se, or because of an interest in theory building."[2] The cases selected here are descriptive. They outline conditions under which the EIIC has worked successfully for the city of Edmonton and enables us to make some generalizations about tri-level consultation in Canada.

In the past, agenda items included the Railway Relocation Program, native housing, customs preclearance, Edmonton's general plan review, amendments to the National Housing Act, the federal Urban Demonstration Program, the Post Office-Commonwealth Games Program, Fort Edmonton Park, the maximum security penitentiary just outside Edmonton's corporate limits and restoration of the South Side Post Office, to name only a few.[3] Information for these case studies was obtained from the files of the Department of Federal and Intergovernmental Affairs, Government of Alberta. This will be supplemented by the knowledge acquired by the author who was a provincial representative on the committee from May of 1975 through April of 1976.

Between March 1975 and April 1977, the EIIC dealt with sixty different items.[4] Thus, the task of selecting three representative case studies was difficult. Many of the agenda items are 'information items', matters that do not require action but are presented for information purposes only. This type of item enables one government to inform other governments of its activities in a particular area. Because these activities do not engender intergovernmental

contact, they do not demonstrate the EIIC as a tool for intergovernmental agreement. Other items, of a minor nature, are settled by the committee in a very short space of time — one or two meetings — and do not lend themselves to an understanding of the complexities of tri-level consultation.

The three agenda items examined are fairly complex issues that involve many actors and span several meetings of the committee. They were chosen because they demonstrate the effectiveness of the committee in a wider range of circumstances and with large numbers of actors. Moreover, each case study has one or two particular features that make the item significant to the development of the EIIC.

These case studies will answer questions about the competence of the EIIC and the effects of tri-level consultation on the Canadian Federal system: Under what circumstances does the EIIC facilitate intergovernmental cooperation and under what circumstances does it simply add a redundant layer of administration to an already complex process? What are the circumstances that facilitate or hinder federal money from being transferred, via the committee, to the municipality? What benefits accrue to the three participating governments? How do committees such as the EIIC facilitate federal-municipal contact and how do they affect the consitutional position of the provincies? What are the other ways in which these committees affect the Canadian Federal system?

An overabundance of variables is a problem generally associated with the case study apprach.[5] Some variables, such as the rules of procedure and objectives of the negotiations remained constant in all three cases, while others such as time span or policy area were not relevent. For the purposes of this study, cost, product of the negotiations, target group and participants have been selected as items of analysis. The cost is the price tag of a project. The second variable is the product of the negotiations: is it a physical structure or a service or program with intangible effects? The target group refers to the group for which the product is intended. Finally, the participants are the type of government representatives (elected officials and civil servants) primarily involved in the negotiations.[6]

The product, target group and cost determine the political importance or impact of an EIIC agenda item.[7] Impact (or political importance) is largely a function of public interest in a project — greater public interest means a larger impact and conversely, less public interest means a smaller impact. In tabular form, the relationship looks like this:

PRODUCT	TARGET GROUP	COST	IMPACT
TANGIBLE	LARGE	HIGH	HIGH
TANGIBLE INTANGIBLE	MEDIUM	MEDIUM	MEDIUM
INTANGIBLE	SMALL	LOW	LOW

Each column depicts the variations in each factor and the variations of each factor produces a variation in impact. For example, negotiations that involve a physical structure will attract more public attention, and consequently have a greater impact than talks establishing an intangible program. (A road paving program is more visible to people than an interprovincial agreement to establish uniform road widths). Similarly, impact varies with the target group size. A program, be it successful or unsuccessful, will have a greater impact if it caters to the general public rather than a select group. Impact also increases with the actual costs. For example, a facility that costs $500,000 will provoke more interest than one that costs $5,000.

The impact influences participants in the negotiations and consequently affects EIIC participation. A project provoking public interest (i.e. with a large impact) will probably be important to elected officials, who are directly accountable to the voting and tax-paying public. In this case, the EIIC composed of civil servants, will be compelled to relinquish its functions to its political masters since the EIIC is an administrative mechanism, designed to expedite routine matters. Consequently, projects with a large impact will be removed from the EIIC by political representatives. The political officials will leave matters that do not provoke public interest (it is probably a "routine" bureaucratic issue) to the civil servants in the EIIC. This table explains.

IMPACT	PARTICIPANT(S)	EIIC PARTICIPANTS
HIGH	ELECTED REP.	LOW
MEDIUM	ELECTED REP. CIVIL SERVANT	MEDIUM
LOW	CIVIL SERVANT	HIGH

The first case study taken from the agenda of the Edmonton Intergovernmental Information Committee involved federal and provincial funding of a tour of planners from the City of Edmonton. Six members of the City's planning Department travelled to several major North American cities to examine innovative land use and transportation planning practices and technologies. Under one of its urban research programs, the Ministry of State for Urban Affairs, in October of 1974, offered to contribute toward the cost of the tour. Before the transfer was implemented, however, the province intervened. The Alberta Department of Federal and Intergovernmental Affairs stipulated that federal funds not be transferred directly to the city and the Alberta Department of Transportation also offered provincial funds for the tour.[8]

In this case, product of the negotiations is a service for town planners who will use the information to improve the quality of planning in the City of Edmonton. The target group is a small group of city planners; benefits will only circuitously reach the general public. The quality

of planning in the city may improve and with it, the quality of urban life. The total cost of the tour was approximately $14,600 with 50% or approximately $7,800 being paid by the federal government and 25% or $3600, each being paid by the city and provicial governments. Participants in the negotiations were civil servants from the City of Edmonton, the Alberta Departments of Transportation and Federal and Intergovernmental Affairs, and the Federal Ministry of State for Urban Affairs. Only minor interventions by elected officials mark this case study.

It should be pointed out that initial discussion on this matter predated,by five or six months, establishment of the committee. While this might be sufficient cause to reject this item, another factor necessitates its inclusion. As a result of the federal government's attempt to use an unprecedented form of intergovernmental agreement, the provincial government formulated a set of guidelines for tri-level and federal-municipal contact in Alberta.

The second case study involves the funding of a design for Edmonton's newly proposed police headquarters building. The city engaged a private consulting firm to develop a plan for a new building and to restructure and reorganize the force and its policing techniques. The cost of the design phase, estimated between $500,000 and $675,000, forced the city to go to the senior governments for assistance. When the provincial government refused funding assistance, the city went to the federal government. After a fairly complex

set of negotiations, the federal government contributed $470,000 to the project.

In this case, the product of the negotiations is funding for a new police headquarters project design; the target group is the City of Edmonton Police force. These variables differ somewhat from those in the case of the tour. Here, the target group is slightly larger and the product of the negotiations is neither a service, as in the tour, nor a physical structure as in the next case study. The impact of this project is somewhat higher than that of the tour. While the design phase itself will not attract much public attention, the new police headquarters building will be in full public view. Participants include officials from the City of Edmonton Planning Branch, and the City of Edmonton Police Force; officials from Alberta's Solicitor General and FIGA; and, finally representatives from MSUA and the federal Solicitor General.

During the 1974 election campaign, Prime Minister Trudeau announced a program to help municipalities acquire rolling stock and other facilities for new transit systems. The third and final study deals with Edmonton's attempt to obtain federal assistance for its Light Rail Transit System. After a protracted and complex set of talks, occurring first at the administrative or civil service level and then at an elected official level, the city failed to obtain any federal assistance.

The product of the negotiations here is a physical facility -- rolling stock for Edmonton's rapid transit system. The target group is the general public who will use the facility to commute to and from the city centre. The cost of the total system is approximately $64 million, and Edmonton hoped to obtain $12.5 million from the federal government to pay for the rolling stock. The cost, product and target group combine to form a high impact for this project. The participants in this case include officials and elected representatives from the city, the province and the federal government. It should be noted that most of the discussions occur between elected officials representing the city and the federal government.

This case study was chosen primarily because of its outcome. Despite a great deal of discussion and bargaining, the city of Edmonton did not receive federal money. A negative outcome -- from the viewpoint of the city -- is necessary for a representative picture of the committee's activities: the city does not receive federal assistance for every item it brings to the EIIC.

The cases selected are a cross section of EIIC activities. The costs of the three items ranges from low to high, the smallest sum for the tour ($14,000) and the largest for the rolling stock (in excess of $12,000,000). These three sets of negotiations also result in different end products: the tour provides a service, whereas the

Capital Assistance Program provides a physical structure. The police headquarters building represents a mid-point between these two: the design will be used for the construction of a building in the downtown area of Edmonton. As a result of these variations, the impact of each of the studies ranges from low (the tour) to medium (the design for the police headquarter project) to high (the acquisition of rolling stock). The participants also differ from case to case: the tour involved, almost exclusively, public servants; the design phase involved a mixture of public servants and elected officials; and the Capital Assistance Program involved, almost exclusively, elected officials.

The subsequent three chapters will outline the chronology of events in each case and will derive some generalizations that will answer the following question: Does the Edmonton Intergovernmental Information Committee foster the federal-municipal and federal-provincial-municipal contact that is characteristic of a marble cake view of federalism? The final chapter presents an alternative explanation for Canada's federal system, which is characterized by a swirl of interpenetrating programs among the three levels of government.

CHAPTER III

THE TOUR OF TRANSPORTATION PLANNERS

The first illustration of tripartite cooperation taken from the agenda of the Edmonton Intergovernmental Information Committee (EIIC) involved tripartite funding of a tour for planners from the City of Edmonton. The purpose of the tour was to permit the Edmonton city planners to examine various innovative land use and transportation techniques used in some North American cities.[1] The tour took place in two phases, part I departing Edmonton 15 July 1975 and returning 24 July 1975 and the second departing 20 July and returning 30 July. In October of 1974, the Ministry of State for Urban Affairs (MSUA) offered to contribute toward tour expenses from its Urban Management and Training funds and after consultation with the city, arranged to transfer the funds. Before the transfer was complete, however, the province intervened: the provincial Department of Transportation also offered to contribute money for the tour and the Department of Federal and Intergovernmental Affairs (FIGA) introduced some jurisdictional questions. A debate ensued over the intergovernmental contract which would facilitate the transfer of funds.

Chronology of Events

In October of 1974, the Planning Department of the City of Edmonton applied for funding for the tour to the Urban Management and Training Program, Ministry of State for Urban Affairs.[2] The city submitted a proposal to the Ministry, which then agreed to fund the project. At the

first meeting of the EIIC, MSUA's permanent representative announced that a Ministry Advisor would come to Edmonton the following week to conclude the grant.[3] The Advisor found that the proposal required some technical changes regarding the aims of the tour in order to receive Ministry funds but assured the city that a revised version would receive immediate approval.[4] At the third meeting of the EIIC, the city presented the revised version of the proposal and emphasized the need for a decision prior to July 15, the departure date for Phase I of the tour.[5]

At this time, the locus of activity vis-a-vis the funding arrangement shifted from the EICC to the federal and provincial governments. Paperwork and administration in both governments delayed the process. The proposal did not receive immediate attention in the Ministry and city officials, anxious to receive funding prior to tour departure, telexed the Ministry to request an expeditious decision on the matter.[6] Meanwhile, FIGA attempted to find provincial funding for the tour. The Department of Municipal Affairs was unable to fund the project from any of its existing programs, but the newly-established Department of Transportation, anxious to establish its credibility, offered $3,650 from its Public Transportation and Transit Usage Studies Program.[7] The city subsequently obtained verbal agreement from the province. The discussions which ensued delayed the money transfer and the city arranged interim financial arrangements.[8]

Up to this point in the negotiations, the process was relatively straightforward even though the city did not receive the grants prior to tour departure. Officials from the three governments agreed to co-sponsor the tour and found the money in existing program budgets. Preliminary and verbal agreement on the matter was reached at EIIC meetings, through telephone conversations and by letter, telegram and telex. Officials, working through conventional channels were able to facilitate intergovernmental agreement. However, jurisdictional questions arising from the formal intergovernmental agreement to transfer the funds complicated the process.

To formally execute the agreement, a Ministry offical recommended a tripartite letter of agreement. The aim of such a letter, unprecedented in the Ministry's dealings with provincial and municipal governments, was to simplify and shorten the funding process by eliminating the time needed for federal, provincial, and city governments to draft and examine a formal contract.[9] The letter outlined the purpose and funding provisions of the tour. It also outlined the only caveat attached to the federal money: an evaluation report of the tour was to be sent to MSUA's research library. The letter required the signatures of Edmonton's Chief Commissioner, the Assistant Deputy Minister of Alberta Transportation and the Assistant Secretary of State for Urban Affairs.[10]

Officials from the city and Alberta Transportation were satisfied with the agreement, but since all inter-

governmental agreements must be ratified by the Minister of Federal and Intergovernmental Affairs, FIGA officials asked that the letter be signed by their minister. However, the Minister of Federal Intergovernmental Affairs refused to sign it. Although the letter seemed to be an efficient method to transfer a small sum of money, it had important jurisdictional consequences.[11] Since the letter was signed by all three governments, it might be construed as a precedent for direct federal-municipal contact, or to establish the municipality as a government equal to that of the other governments. FIGA officials suggested an alternate method of transferring the money: back-to-back agreements. These are separate federal-provincial and provincial-municipal agreements that first transfer federal money to the province and then transfer an equal amount from the province to the municipality. In this particular instance, Alberta Transportation, because it was contributing to the tour, would facilitate the transfer to the city. While such an approach was cumbersome and protracted, back-to-back agreements seemed to circumvent the constitutional problems. However, the minister's concerns about the jurisdictional question were not assuaged and he refused to sign the two agreements.[12]

The question of funding was dropped until September when the city brought pressure to bear on the province. Since the tour was over, the province was also anxious to settle the question. The Minister of FIGA, finally, and

somewhat reluctantly, agreed to sign the contractual agreements, but not without a caveat. Another letter that was appended to the contractual letter outlined Alberta's concerns about the highly unusual format of the contract. It also warned the federal government not to use the format again: on this occassion only, because of the rather small sum involved and because payment was long overdue, would the province agree to the tripartite letter. The letter also outlined the procedure to be used in the future: back-to-back agreements were the only acceptable method to transfer federal funds to municipalities.[13] Essentially the back-to-back agreement is a two part contract: a federal-provincial agreement transfers federal money to a provincial department, which would then transfer an equal amount to the municipality. An example clarifies the procedure: if the Ministry of Transport contributes $10,000 to the City of Edmonton for a traffic study, the federal money must go to the provincial department of Transportation which will then transfer $10,000 to the city. Furthermore,this procedure must be followed whether or not the province contributes.

After the province decided upon its course of action and designated Alberta Transportation as the agent to transfer federal funds to the city, the tour and the tripartite letters returned to the EIIC. At the sixth meeting, a Ministry representative informed the committee that Ministry staff was preparing a reply to Alberta's caveat.[14] The

reply was circulated at the committee's seventh meeting.[15]

The tone of the letter was apologetic and conciliatory. The tripartite letter of agreement, it said, was not intended to establish a precedent in municipal-federal relations, but was intended as an efficient, easy way to transfer small sums of money. It assured the province that the Ministry's intention was to have provincial support in all federal-municipal undertakings and that in the future back-to-back agreements would be used to transfer federal funds.

Although this particular issue seemed to be settled to the satisfaction of all parties involved, nearly a year later, during discussions on another tripartite project, problems arose with the transfer of federal funds to the City of Edmonton. The provincial department of the Attorney-General informed FIGA that back-to-back agreements were unsatisfactory from a legal point of view. Use of the word "municipality" was apparently ambiguous, making the contract difficult to enforce. Moreover, the back-to-back agreements made the province a federal agent, which meant the federal government could sue the province if the municipality breached the contract. Although the likelihood of this happening is remote, the provincial government insisted that legal steps be taken to protect the province. According to the Attorney-General, the tripartite agreement was preferrable from a legal point of view.[16]

Summary

The negotiations to provide funds for the planning tour confronted the EIIC with a barage of unsettled questions and procedures. This was the first time the committee tackled a tripartite funding arrangement and the province had not formulated any guidelines for MSUA activity in Alberta. The situation was further complicated by the federal government's experimentation with a new form of legal contract.

Although the tripartite letter of agreement was supposed to simplify the process, it became the most controversial question prompted by this round of negotiations. Neither the amount of money, nor the aim of the program was the most important question at hand since the cost to each government was relatively small and could be covered by existing budget allocations. It was not the grant, itself, which was questioned, but rather the way in which the grant was transferred that created the problem.

The back-to-back agreements seemed to be the ideal compromise: the city received its grant, the province maintained its constitutional right and the Ministry retained the freedom to continue working in Alberta. Unfortunately, the ambiguity of the contract made it difficult to enforce and thus prevents its further use. While it is difficult to envision the federal government suing the province over the tour, it is less difficult to imagine an important constitutional case resulting from a larger, more controversial project in which federal money was transferred to a munici-

pality via the back-to-back agreement.

The province was concerned about its constitutional rights and unless the constitutional issues were settled, the city would not receive the funds. The caveat attached to the letter of agreement warned MSUA that federal intrusions into local matters would not be tolerated in Alberta. The Ministry had little choice but to accede to Alberta's wishes: it could not function without provincial government approval. It duly noted its mistake and pledged its adherence to guidelines established by the province.

The municipality was caught between the constitutional rights of the province and the need for federal money. While it eventually received federal money, the grant was delayed. The municipality had to fund the tour from its own coffers and only later received reimbursement.

It is difficult to assess the specific benefits accruing to the three participating governments as a result of their membership on the EIIC. We can speculate that the province may not have known about this particular instance of federal-municipal contact if it had not been for provincial membership on the EIIC. The grant was small and the program affected only a small number of city officials. The likelihood of the province finding out about the tour and the federal money would have been diminished without its membership on the EIIC. As for the Ministry of State for

Urban Affairs, it was permitted to carry on its activities in the province despite its administrative faux pas. At that point in the ministry's development, it was an important achievement. Established to oversee federal programs in an area of provincial authority, MSUA was treading uncertain political waters. Although the caveat attached to the back-to-back agreement reiterated Alberta's rights over urban affairs, the ministry retained its right to talk to Alberta cities. The municipality, as a result of the EIIC, received provincial funds which it might not have otherwise received. Moreover, it was allowed to continue its interaction with MSUA, a possible source of future federal grants.

Application of the variables outlined in Chapter II to this case study results in some interesting propositions about the effectiveness of the EIIC and its role in Canadian intergovernmental relations. The cost is low; the product of the negotiations is intangible; and the target group is small. These combine to form a project with low political impact. The low impact, in turn, corresponds to low participation by elected officials and high participation by civil servants. The committee officials could deal with the issue as long as it fell within the boundaries of existing government policy. Policy changes force EIIC officials to go to elected representatives, who alone, have the power to change governmental policy. Thus, we may conclude that for a project with low political impact, the EIIC is an efficient mechanism.

CHAPTER IV

THE POLICE HEADQUARTERS PROJECT

In 1974, the Ministry of State for Urban Affairs announced the Urban Demonstration Program (UDP) to encourage innovative approaches to problems in the urban environment. Projects developed under the $100 million fund were to be included in a tour of urban demonstration projects for delegates at the United Nations' Conference on Human Settlement (Habitat) held in Vancouver, June of 1976. The second case study documents Edmonton's attempts to obtain UDP funds for the design of a new police headquarters building.

Design, development, and construction of the facility spanned three phases: phase I to examine project feasibility and objectives and to determine local conditions and needs in order to develop a conceptual design; phase II to translate the findings of the conceptual design into specifics and to procure new equipment and to reorganize the police force; phase III to construct the new building and to install and test new systems and equipment.[1] It is phase II, or the design phase, estimated to cost $675,000,[2] of the project for which the City of Edmonton tried to obtain federal assistance. Civic attempts to garner provincial support were unsuccessful, but the province did not prevent the city from going to Ottawa.

Chronology of Events

The negotiations to finance the design phase of the police headquarters project spanned a period of nearly 18 months and was on the agenda of ten EIIC meetings. Although

most of the negotiations occurred within the administrative framework provided by the committee, some activity occurred at the political level. However, at all times, committee members were aware of the progress of those talks and were privy to all information exchanged among the involved parties.

The police headquarters project was an agenda item at the first meeting of the EIIC.[3] At this stage, the police headquarters project along with the Cultural and Convention Centre, A Home-Aid Program and a Citizen Response Facilitation Centre, were Edmonton's proposals for funding under UDP. At this meeting, held in March of 1975, the city outlined federal-municipal discussions and elaborated on recent communications regarding the status of the application. Apparently the city had been in contact with the office of the Minister of State for Urban Affairs and officials there said the Advisory Council responsible for screening UDP applications had examined 100 out of 160 requests for assistance. The final decisions would be released on April 15, 1975. The minister's office also urged the mayor, during an upcoming trip to Ottawa, to pursue the matter with the Minister of State for Urban Affairs. As there is no record of what was actually said between the city and the Minister's office, one can only speculate that obtaining the Minister's support for a particular program would enhance Edmonton's chances for a success.

Since all UDP projects had to be co-sponsored by another federal department before MSUA would accept the application, the city sent the police headquarters proposal to the federal Department of the Solicitor-General. After examining the proposal, the federal reaction was positive: the project would enhance the quality of policing in Edmonton and could serve as a prototype for other municipal policing systems across Canada.[4] The Solicitor-General pledged the efforts of the newly-established Research Division, which offered an array of grants for corrections-related research. A copy of the federal-municipal correspondence was circulated at the May 1975 meeting of the EIIC.[5]

At this meeting, the province expressed interest in the project.[6] The provincial Solicitor General, who had previously denied Edmonton's request for assistance, informed FIGA that he wanted to re-examine the proposal. FIGA, in turn, used the committee meeting as an opportunity to convey this request.

As stated previously, the initial provincial reaction to Edmonton's plan was negative -- the project was too ambitious and attempted to implement too many untested ideas -- and the province refused to give financial assistance. The province preferred an incremental approach: each new system should be separately implemented and evaluated before proceeding to the next stage. However, the provincial Solicitor-General was now willing to admit

that further study of the proposal and further consultation with the city might result in a more satisfactory plan, worthy of provincial support.[7] Although existing budget allocation would not cover the project, the Solicitor General was willing to apply for special funds with a special warrant to the Cabinet. The office of the Solicitor-General also needed further information on the project's cost and the amount of the federal contribution, so it requested that FIGA contact EIIC representatives for the information.[8] FIGA sent a copy of the headquarters proposal and other information requested by the Solicitor's-General office and awaited reaction before proceeding with further intergovernmental talks.[9]

The reaction to the proposal was mixed. Although the province lauded the goals of the new facility, it took exception to many of the details of implementation.[10] Several aspects of the scope, emphasis and implementation of the project concerned the province. First, it was not apparent that the city required such an elaborate facility. Second, the proposal over-emphasized the improvement of managerial and field-support systems at the expense of the actual building. Third, if Edmonton received provincial assistance for this massive project, other Alberta municipalities could rightfully request similar facilities, and provincial aid to other municipalities would constitute and inordinate strain on budget allocations for law enforcement. Finally, the consulting firm hired to do the study, the

Stanford Research Institute, an American firm, might not be familiar with local enforcement needs and principles. Although the office of the Solicitor-General recognized the basic similarity in some worldwide policing techniques, it feared that the consulting firm could not adequately cope with the differences between the American and Canadian criminal justice systems. As a remedy, it suggested that the provincial and federal governments closely monitor the consulting firms' progress to guard against any possible cultural biases.[11]

During June and most of July of 1975 little provincial activity took place regarding the project and the EIIC did not meet until July 29. During this period, the federal government decided to cancel UDP, thus dealing a blow to the city's plans. Civic officials thought they would have to look elsewhere for funding assistance, but at the July 29 meeting of the EIIC, federal officials reported that there might be a limited amount of money left from the UDP to fund one project in each province.[12] Because the federal money would only be contributed to projects approved by provincial governments, the City of Edmonton asked the province to review the proposal. If the province of Alberta approved the Edmonton project, the federal government would consider giving assistance.

Since EIIC procedure allowed for ad hoc membership to vary with the items on the agenda, representatives of the provincial Solicitor-General attended the July meeting

which discussed the police headquarters project. When the federal officials announced the availability of federal funds, the representatives of MSUA and the Solicitor-General discussed the terms of federal financing. The provincial Solicitor-General would evaluate the proposal only if such action did not constitute a provincial pledge for financial assistance. When the Ministry representatives said that provincial funding, although welcome, was not essential, the provincial Solicitor-General agreed to re-examine Edmonton's project. FIGA also expressed concern about other possible candidates for the federal funds and asked the Ministry to supply a complete list of Alberta applicants.[13]

At this point the focus of discussion shifted from the EIIC to the political level. In August, Mayor Hawrelak met with Premier Lougheed to discuss matters of concern to the city and the province.[14] Among other topics discussed was the fate of the UDP and the possibility of provincial support for the project. As a follow-up to this meeting and a subsequent meeting with the Solicitor-General and the city Police Commissioner, Mayor Hawrelak sent Mr. Farran a letter outlining the city's situation.[15] It also stated that provincial support for the city's application for federal money did not constitute a provincial financial committment for either the feasibility study or the actual building. The city also requested that if financial constraints rendered the project

prohibitive, the city was under no compulsion from the province to construct the facility recommended by the feasibility study.

Shortly after these political talks, Alberta agreed to sponsor Edmonton's application. The provincial government permitted federal funding of the design phase because the planning and experimenting could provide experience for similar facilities elsewhere in Canada.[16] At no point, however, did the province pledge financial support. Copies of the federal-municipal and provincial-municipal correspondence were circulated at the September EIIC Meeting.[17]

Once again the EIIC became the centre of negotiations. At the October meeting, MSUA representatives reported on the status of Edmonton's proposal in the federal administration. Even though both MSUA and the Solicitor-General approved the project, sufficient funds were not available. Since both departments agreed upon the project's value, however, they planned to request additional money from the Treasury Board. The federal government also agreed to inform other committee members of the status of the joint presentation.[18] At the November meeting, the city reported on the status of the police headquarters proposal within the city administration: the city's Commission Board approved it pending participation of other governments. The committee was also informed that the Mayor planned to discuss the matter with several

federal ministers during a December 8 visit to Ottawa.[19]

Shortly after the November EIIC meeting, officials from all three governments met in Edmonton to discuss joint participation in the project.[20] The representatives from the City of Edmonton Police Department, FIGA, the provincial Solicitor-General and MSUA dealt with matters of joint funding and prepared the proposal for the Treasury Board Submission. The original proposal outlined a three-part development for the project -- a feasibility study, a design phase and a construction phase. The MSUA representative informed the committee that a three-part project would require three separate submissions and thus might prolong the process within the federal administration. Moreover, anticipated spending cuts might jeopardize the city's chances of obtaining federal assistance. Anxious for federal assistance, both the city and the province agreed to the changes and a joint submission was prepared to cover the entire project.[21]

At the December meeting of the EIIC, the federal government informed the province and the city of the status of the Treasury Board Submission. A date for the Submission had not been established because MSUA and the Solicitor-General decided to submit Edmonton's proposal with a proposal for a similar project in Manitoba. After the Manitoba submission was approved by the departments, both documents would be forwarded to the Treasury Board.[22]

circumstances behind the decision and outlining the conditions of funding reached the city.[27] Federal involvement in the police headquarters fit into recent initiatives in peace and security since lessons learned from the Edmonton experience possibly could be used by other municipalities. In exchange for the grant, the federal government requested that the city submit two progress reports on the design phase: the first at the half-way point in the project and the second at completion. Both the federal Solicitor-General and MSUA wanted copies of the reports and would, periodically, send observers who would discuss details of the project with the city. A cheque for $470,000 was attached.

It should be noted that according to agreement reached at the March 11 EIIC meeting, the federal government should have transferred the funds to the provincial Solicitor General; but the federal cheque was made payable to the City of Edmonton. When the cheque arrived at City Hall, it was forwarded to the provincial government and subsequently presented by the provincial Solicitor-General to the Mayor.[28]

This glaring contradiction to the EIIC decision was not discussed at any of the subsequent EIIC meetings or in letters between governments, so the reasons for this error are difficult to determine. Because the issue did not result in friction between the federal and provincial

governments, it would seem that it was nothing more than an administrative faux pas or that the provincial government was satisfied with presenting the federal cheque to the city.

Summary

In this case, the provincial government allowed joint federal-municipal participation in a project that did not receive provincial funds. The province refused to fund a project that, in its view, used too many untested ideas and was not warranted by local needs. But the province did not stop the city from going to Ottawa for assistance.

The federal role in this project stems from activity in policing and foreign affairs. Because of its responsibility for foreign affairs, the federal government hosted the UN Conference on Human Settlement. In this capacity, Canada arranged a tour of 'urban demonstration projects', including projects built prior to the conference as well as projects built especially for the conference. Those projects built especially for the conference were partly funded by the federal government. Although austerity forced cancellation of the Urban Demonstration Program, Ottawa agreed to fund special projects from existing budget allocations. Since federal-municipal negotiations took place before the UDP cancellation, the city continued to pursue the federal administration. It sought assistance from the federal Department of the

Solicitor-General who offered an array of programs for police forces in Canada. The Ministry of State for Urban Affairs, the department that coordinated Canada's efforts for the UN conference, provided a consultative mechanism (namely the EIIC) that brought together the municipal needs and federal programs.

For its part, the City of Edmonton assigned priority to the construction of an innovative police headquarters facility. The police force wanted to try a new approach to law enforcement and to construct a building to fit the new system. Caught in a financial squeeze, the municipality went to the senior governments for assistance. When the provincial government refused support, the city went to Ottawa.

As stated in Chapter II, the variables for analysis determine the impact or potential effect of a project upon the public. In this case the impact of the project is medium. The first variable, the product of the negotiations is the design of a policing system and a headquarters building. While the design phase, itself, is of only moderate interest to the general public, the structure which ultimately results will probably attract more public and media interest. The target group of the design phase is small: only administrators from the three governments are involved, but as in the previous case, the actual building will directly affect the general public. Also

contributing to impact is the cost of the project, in this case $675,000. This sum is greater than that in the tour ($14,000) and, consequently, will more likely attract public attention.

In connection with the "medium" impact, we find that both elected officials and civil servants participate in these negotiations. Civil servants handled most of the negotiations but left important political decisions and policy changes to elected representatives. This meant that the EIIC was moderately successful as a negotiating mechanism, since discussion among elected representatives was outside EIIC parameters.

This case study also reinforces the applicability of Grodzins' marble cake theory to Canada. It demonstrates both the shared-functions aspect and the extent of direct federal-municipal contact in the marble cake view. In this instance a federal program, intended to improve the calibre of police enforcement in Canada, provided funding for a municipal policing project. Moreover, it was a project that did not receive provincial assistance. The design phase of the police headquarters project is a clear illustration of the swirls of responsibility in the Canadian federal system.

CHAPTER V

THE CAPITAL ASSISTANCE PROGRAM

During the 1974 election campaign, Prime Minister Trudeau, anxious to garner a majority of seats in the House of Commons after two years of minority government, announced that a Liberal government would subsidize mass transit in urban centres. The proposed federal program would cover a portion of the cost of commuter vehicles and their support facilities manufactured in Canada, provide financial support and technical expertise to smaller municipalities for design and construction of new public transit systems, aid municipalities in relocating railway tracks through their territory and remove the twelve per-cent excise tax on imported vehicles designed to carry at least twelve passengers.[1] When the Liberals obtained their majority, municipalities across Canada anxiously awaited the details of the urban transportation assistance program. Edmonton, in the process of developing a rapid transit system, was one of the municipalities hoping to benefit from this federal manna. In July of 1975, after consultation between the Ministry of State for Urban Affairs and the Ministry of Transport, the Minister of State for Urban Affairs, Barney Danson, announced the specifics of a program, called the Capital Assistance Program for Urban Transportation (CAP), to help municipalities purchase commuter vehicles.[2]

In 1968, Edmonton city council approved, in principle construction of a light rail rapid transit system to

meet expected transportation needs in the city of Edmonton.[3] In 1973, after a series of protracted debates and completion of background studies on the effects of rapid transit in Edmonton, city council approved a schedule for spending, design and construction of a line to run from the centre to the northeast corner of the city. In mid-1974, the province pledged $45 million for the $64.7 million project.[4] The city was responsible for the balance of the costs.[5] When the federal government announced its transportation program, the city hoped to defray its contribution by obtaining funds from the part of the federal program designed to assist in the purchase of rolling stock.

Over the course of approximately three years -- from June of 1974 to June of 1977 -- the city of Edmonton attempted to qualify for CAP funds. It lobbied the federal government through the EIIC and direct meetings between the mayor and various federal ministers and finally through Members of Parliament from the Edmonton area. However, all attempts failed and ultimately the city purchased commuter cars, without federal assistance. The way in which the city lobbied the federal government and the role of the EIIC in this particular set of federal-municipal negotiations is examined in this case study.

Chronology of Events

Edmonton's application for urban transit assistance

under the Capital Assistance Program was on the agenda of the first EIIC meeting held on March 14, 1975. At that time, MSUA and Ministry of Transport (MOT) officials were drafting specifics of the program and MSUA brought details of the discussions to the meeting.[6] An important part of the discussions centred around the definition of commuter system. Two were under consideration: the first was a transportation system between municipalities and the second was a system located within a municipality. The city was particularly interested in the latter definition, since its system was located entirely within the city limits.[7] If the federal government chose to fund only those systems running between municipalities, the city would not qualify. The Committee also noted exchanges between Doug Roche, MP for Edmonton-Strathcona and Barney Danson, then Minister of State for Urban Affairs, in the House of Commons during the early part of March, 1975.

Mr. Roche was taking an active role in this matter in the House of Commons. During question period on March 10, Mr. Roche questioned Mr. Danson on reports of conflict between officials in MOT and MSUA over the definition of 'commuter system'. The minister would not deny the existence of conflict over the issue, but assured Mr. Roche that "... we [MOT and MSUA] always reach an understanding."[8] Mr. Danson also assured Mr. Roche that specific details, including the definition of commuter system, were

forthcoming. This exchange, plus an exchange several days earlier, exemplifies the government's inaction, and procrastination concerning the transportation program. Mr. Roche addressed a question to Jean Marchand, the Minister of Transport, about the definition of a commuter system. Mr. Marchand stated he did not receive the question in advance and consequently was not prepared to comment. Rising on a supplementary question, Mr. Roche then asked the Minister of Energy, Mines and Resources if his department was supporting mass transit as an energy conservation measure. Mr. Macdonald's response was short, concise and somewhat predictable. Mass transit, he said "... is clearly a direction, not only to the advantage of land use but also energy conservation .... It is with that motive in mind that we are developing policies with the Department of Transport ...."[9]

At the second meeting of the EIIC, held on April 10, the urban transportation assistance program was a topic for discussion. Officials from MSUA stated that a federal document clarifying details of the program had been drafted and was on its way to cabinet for approval. During the meeting MSUA officials also advised the city to present its case to other federal departments so that the program would receive support from several ministers when it came before cabinet. They also urged that Mayor Hawrelak discuss Edmonton's situation with federal cabinet ministers during

the Mayor's forthcoming visit to Ottawa.[10]

At this point, the absence of a clear-cut federal policy concerned city officials. An important deadline was imminent: only if the city ordered its rolling stock before May 14, 1975 could it take advantage of a fixed price for the cars and could be assured a slot in the production schedule.[11] If the city waited for the federal announcement and if the announcement was made after the May 14th deadline, the city jeopardized the cost and opening date of the project. Furthermore, if the Edmonton system did not comply with the program's definition of commuter system, the city would have to bear the additional financial burden and responsibility for a late opening date.

Faced with this quandry, the city approached MOT and MSUA to explain the problem with the looming deadline. When both departments assured the city that they would consider Edmonton's special circumstances, the city placed its order.[12] At the third meeting of the EIIC, May 10, 1975, the city outlined the details of its decision.[13]

On July 30, 1975, more than one year after the campaign announcement, the government released details of the Capital Assistance Program.[14] Urban Affairs Minister Barney Danson and Transport Minister Jean Marchand announced the creation of the $100 million fund to help provinces and municipalities combat traffic congestion and related problems. The description released by the ministers

closely resembled the campaign promise: federal grants and loans were made available for acquisition of commuter rail vehicles, stations and platforms, and traffic control facilities. Loans of up to 25% and grants of up to 75% were available for capital costs of a new rail commuter system; loans of up to 25% and grants between 25% and 75% were available for establishing other forms of public transit. The program also provided a grant of up to 50% of the cost of commuter rail platforms, stations and feeder systems or traffic control facilities. The sum of money allocated was the only discrepancy between the proposed and the actual program: whereas the government promised $290 million, it actually set aside $100 million.[15]

Funding under the programs required federal-provincial-municipal agreement on an overall transportation strategy for the city applying for assistance. All three governments had to agree upon the role of the commuter system within the community, efficient use of the special features of a particular system and integration into the existing transportation network. Although federal-municipal discussion would be an integral part of the consultative process, the federal news release was judiciously worded in order to avoid constitutional opposition from the provinces. The document made it quite clear that the federal government would provide funds "... to help the provinces and municipalities manage urban growth and combat

traffic and related problems."[16]

Two provisions of the Capital Assistance Program appeared to dash Edmonton's hopes of obtaining federal assistance: the timing and the definition of commuter system. Because the program did not "... apply to vehicles already on order or to facilities already in place ...",[17] the city's previous decision to order the rolling stock precluded federal funds. The meaning of commuter system, taken in this program to mean a transit line running between municipalities, also excluded the Edmonton line, which was wholly situated within the boundaries of the municipality. Thus, Edmonton was disqualified by two provisions of the newly created program, despite months of prior consultation and assurances to the contrary.

City officials would not acquiesce to this apparent rejection and appealed to the federal government for special consideration. The city met with the Ministry of Transport and with officials from the Prime Minister's Office. But neither route was successful and in September, Mr. Marchand wrote to Mr. Hawrelak to express federal regrets. The cost of vehicles currently on order would not be subsidized by the federal government.

The cabinet shuffle of September 1975 renewed Edmonton's hope. Otto Lang, the only Western representative in the cabinet, was appointed to the transportation portfolio. Mr. Lang and Mr. Hawrelak met privately

shortly thereafter and both men emerged from the talks optimistic about a successful outcome for the city. After the meeting, the Edmonton Journal reported that "... both men now feel that since ... [the transportation portfolio] ... is now held by a Westerner there is reason for more optimism that Western needs will be met."[19] A letter recapping the history of the municipal-federal discussion on this matter and restating Edmonton's case was sent to the new minister. Mr. Hawrelak concluded his case by saying:

> When you have reviewed all of this material, I believe you will conclude that the city has acted responsibly in this matter. As our Minister we ask you to take up the case of the City of Edmonton with whichever of your colleagues are responsible for our present situation. We are confident that your particular interest in Western Canada and your persuasive abilities will result in a favorable conclusion of the matter for the City of Edmonton.[20]

This appeal to Mr. Lang's political instincts was successful and the new minister subsequently agreed to review the decision.[21]

The November and December meetings of the EIIC dealt briefly with the transportation assistance issue. At the November gathering, city officials described their efforts that prompted the federal review and the federal representatives explained the process by which the federal government would complete its review.[22] Shortly after the November meeting, Mayor William Hawrelak died and Alderman Terry Cavanagh was selected as the new mayor. One of his

first tasks as Mayor was a visit, scheduled for December 11-13, to Ottawa. Thus, the agenda of the December EIIC meeting, held several days prior to the Mayor's departure for Ottawa, included the details of the impending visit. Tom Forgrave informed the committee that a meeting to discuss the urban transportation program with Mr. Lang was on the itinerary.[23]

During his visit, the Mayor met with the Minister of Transport, with the Minister of State for Urban Affairs and with the Members of Parliament for the Edmonton area. In the meeting with Mr. Lang, Mr. Cavanagh presented background information to the issue and suggested several modifications to the existing program and provisions for an entirely new program. A new program, according to the Mayor's presentation, should subsidize vehicles on order and which were to be delivered before April 1, 1977. Since Edmonton's new cars had a guaranteed delivery date -- prior to April 1, 1977, the city would qualify for assistance. The Mayor also inquired about the fate of other transportation proposals made during the 1974 election campaign, in order that the city would be able to fit its long-term transportation plans into the federal programme for assistance.[24] The meeting between Mr. Cavanagh and Mr. Danson also focused on the urban transportation program. Mr. Cavanagh outlined Edmonton's specific complaints about the program and then went on to say:

> Quite candidly, Edmonton believes that in spite of a great deal of prior consultation, we have been subject to discriminatory treatment with regard to federal participation in our transit system. We hope that you will use your good offices to ensure that we are dealt with more equitably.[25]

The purpose of the meeting with the MPs was to inform them of the various federal programs of interest to Edmonton and to urge them to promote the city's interests in those areas. Since this particular meeting was held after those with Mr. Lang and Mr. Danson, Mr. Cavanagh was also able to inform them of the latest federal decisions and statements.[26] The letter presented to the MPs outlined the review commitment of the Ministry of Transport and thanked Doug Roche for his efforts in the House of Commons.

Of all of the Edmonton areas MPs, Mr. Roche was the most vocal critic of the transportation assistance program. In addition to the previously described debates, he initiated another exchange in the House of Commons, where he chastized the government for failing to clarify the definition of commuter system at a date early enough to help Edmonton with its decision on the rolling stock. After months of skirting the issue and encouraging false hope, he said, the federal government issued an unfavorable decision:

> On July 30 this year the government announced some details in respect of an urban transportation assistance policy. It announced a program of $100 million to be spent over five years. But what did we find when we got to the details but the very thing I and the administration of Edmonton feared would indeed

> happen, namely, that there would be excluded from the policy municipal urban transport systems? (sic) That is to say, this policy would be in force only for the systems between cities, and not for systems within a city. That seemed to me to cut the heart out of this urban transportation policy that we had been lead to believe that this government was interested in bringing before this country.[27]

He went on to challenge the Minister of Transport, Otto Lang, to "... show signs that he is sincere in his determination to represent western Canada in the government ... by taking ... a very hard look at this policy which is discriminating against Edmonton ..."[28] and by instituting changes that would enable Edmonton to qualify. If the government was sincere about the austerity program it planned to follow, he said, it would channel more money into programs, such as those to promote mass transit, that would decrease automobile costs and save energy.[29]

When Mayor Cavanagh returned to Edmonton, he sent a letter to both Mr. Lang and Mr. Danson in order to confirm their discussions and to fulfill their requests for information and clarification that would facilitate the program review.[30] The letter to Mr. Lang detailed the decisions resulting from the meeting: Edmonton's northeast rapid transit line was started too early to qualify for CAP funds and recent federal restraint initiatives prevented any more money from being channelled into the transit assistance package.[31] In the letter to Mr. Danson, the Mayor expressed the city's disappointment and dismay with the

timing and scope of the program. "To our complete surprise ... [he tersely asserted, the program] ... contained the condition that it would not apply to vehicles then on order, even though the delivery date for our vehicles ..."[32] fell within the prescribed deadline. Even though the city's decision to order its rolling stock before the May deadline (thus ensuring a fixed price and a slot in the production schedule) dashed its eligibility, the mayor's bitterness was justifiable. The federal government had given the city no indication that such a deadline would be a provision of the program. The Mayor also reprimanded the federal government for its definition of commuter system:

> This may have been a logical definition for eastern Canada where development has not been as coherent as in the West. But it completely ignored the generally compact type of urban development existing in most of Western Canada and particularly on the prairies.[33]

He also pointed out the definition's 'devastating' effect on urban transportation and urban development. It discouraged long-term gradual development of rapid transit because it applied only to those cities with complete systems and it encouraged fragmented urban development by preventing those cities subscribing to the unitary government philosophy from obtaining assistance. Such a policy, the mayor noted, favors such centres as Toronto, Vancouver and Montreal at the expense of prairie cities where municipal leaders "... have generally supported the

'unitary government' concept ...."[34]

Thus ended the first round of federal-municipal negotiations on the capital assistance program, and the city had gained nothing. The program fell short of municipal expectations and despite a great deal of consultation and lobbying, the municipality could not persuade the federal government to alter the program provisions. All the federal government promised was a review of the program, a review which was prepared over the course of the next year.

On November 30, 1976, representatives of MSUA and MOT met with officials from Alberta Transportation to discuss tentative revisions to the program, and two important conclusions were reached. First, officials from both governments agreed that a program covering 100% of the costs of a transit system was undesirable as it might arouse unrealistic municipal expectations and might encourage irresponsible applications. Thus an 80% ceiling was established to minimize both problems. Second, federal officials generally conceded that there would be no new funds available for this program as it was actually an amalgamation of existing programs. Provincial officials reacted cautiously to the latter point: the province would have to monitor introduction of the federal program lest the federal government try to create the impression that it was a new program offering more money from Ottawa.[35]

It is possible to glean some generalizations about

federal-provincial-municipal contact from this meeting. Conspicuous by its absence is municipal representation at a meeting convened solely to discuss an urban transportation program. Presumably the province could represent municipal interests, but in so doing it failed to adequately represent the municipal point of view on two of the most contentious points of the old program. Namely, the scope and the timing. Apparently the senior governments felt that municipal presence at the meeting was gratuitous. This paternalistic attitude is also demonstrated by the 80% limitation on federal contributions in order to deter and discourage 'irresponsible' applications. The provincial attitude toward the federal program should also be noted: the province was willing to allow federal participation in a matter of local concern as long as the federal government did not mislead the municipality or public about the source or extent of its contribution.

In December of 1976, Mayor Cavanagh met with the Minister of Transport, Otto Lang, and the newly appointed Minister of State for Urban Affairs, Andre Ouellet, to discuss the proposed changes to the assistance program. While neither minister promised immediate changes, both promised to consider Edmonton's special circumstances when they revised the program. Mr. Lang agreed to argue Edmonton's case before cabinet and stated that the new guidelines would probably be available by the end of

January 1977. He also said that a new program would not cover the costs of the northeast line, which was under construction, but funds might be available for future extensions.[36] He would argue that the definition of commuter system should be changed to include systems running within municipalities. Mr. Ouellet also acknowledged the need for transportation systems within municipalities and would encourage the cabinet to widen the qualifications for urban transit assistance. Mr. Ouellet also indicated that the government would increase total spending during the 1977/78 fiscal year, and urban transit was high on the priorities list.[37]

The chronology demonstrates the peripheral role played by the EIIC in this particular set of intergovernmental negotiations. Although the committee did not have reason to discuss the dormant issue in 1976, not even the acme of federal-provincial discussions in 1975 created a central role for the committee. Members of the committee were kept informed of the latest developments and had access to all intergovernmental correspondence, but EICC members did not actively participate in the negotiations. Not until the January, 1977 meeting did the committee deal with the matter. At this meeting, copies of the Cavanagh-Lang and Cavanagh-Oullet correspondence were circulated and city officials discussed the details of the meetings between the mayor and the ministers.

Federal attempts to revamp the Capital Assistance Program provoked reaction from municipal officials across Canada. The January 25, 1977 edition of the Globe and Mail carried a story describing the history and provisions of the program and municipal reactions to the latest federal moves.[38] Edmonton's experience with the program, along with a quote from Mayor Cavanagh, were included in the article. On the definition of commuter system, Mr. Cavanagh was quoted as saying

> Our new line will be built entirely within the city, so we can't get any money from the commuter program. Where does a commuter system begin and end? To build a commuter system from outside the city that ends at the city limits without providing a line all the way downtown doesn't make any sense ....[39]

Paul Godfrey, former chairman of the Canadian Federation of Mayors and Municipalities was quoted as saying "I've heard about the federal committment to urban transport for years now, but nothing ever happened...."[40] Spending restraint, federal officials told him, prevented the government from fulfilling its 1974 election promise. Michael Warren, manager of the Toronto Transit Commission said: "Miniscule steps have been forthcoming considering the expectations we had in 1974 when Trudeau promised some very specific things."[41] Director of the Halifax Transit Corporation, Thomas McKim, pleaded the Maritime case. Whereas big cities in Central and Western Canada can depend on powerful provincial treasuries, "[f]ederal funds are drastically

needed in a region like ours where the provincial assistance is not so great."[42]

Finally, on February 17, 1977, the federal government announced its decision on the transit assistance program: spending restraints forced its immediate and indefinite suspension.[43] Finance Minister Donald Macdonald told a meeting of federal cabinet ministers and chairmen and mayors of Metro Toronto that there was no room for urban transit expenditures in allocations for at least the next two fiscal years. Criticism from the opposition and from Liberal backbenchers immediately ensued, but to no avail.[44] The government stood firm: federal priorities did not include urban transportation assistance.

Summary

On two occasions the city used the EIIC, meeting between the mayor and various federal ministers and the Edmonton Members of Parliament to lobby for urban transit assistance. But on both occasions the city met with defeat. In the first round, Edmonton did not receive assistance because its line did not fit the definition of a 'commuter system' and because its cars were ordered too early. Edmonton officials reacted indignantly as they had met with federal representatives who gave them reasonable grounds for optimism. The appointment of a Westerner to the transport portfolio and the promise of a policy review buoyed Edmonton's hopes once more, but again the city was

disappointed. This time, fiscal restraint was cited as the reason: the federal priority list did not include urban transportation.

The impact of this case study is, by far, the largest of the three included here. The cost (more precisely, the possibility of a $12 million grant) greatly exceeded the cost of both the tour and the police headquarters project. The target group, here as in the headquarters project, was the general public. And finally, a rapid transit system, a physical structure, and not a design for a building or a program for town planners, was the product of the negotiations. Together, these items resulted in a project of great interest to the general public and hence a project with a high impact. Corresponding to the high impact, there was minor participation by EIIC members and major participation by elected representatives. (Most of the negotiations took place outside EIIC parameters, although committee members were always informed of the most recent developments and could advise their political bosses of recommended policy changes). According to the tables in Chapter II, a high degree of political participation means a low level of effectiveness for the EIIC. Its major function in this case of intergovernmental negotiation was to be a clearing house for information on federal-municipal discussions on the Capital Assistance Program.

Even though a provincial grant covered two-thirds

the cost of Edmonton's rapid transit, the province did not actively participate in the federal-municipal debate over CAP. Rather than exercising its constitutional prerogative to negotiate urban transit assistance with Ottawa, the province gave the city a free rein. Most of the discussions involved civic and federal elected representatives or Edmonton area MP's and the federal cabinet.

It is difficult to understand why the federal government enacted a program for which Edmonton could not qualify when prior consultation virtually assured federal assistance. Perhaps the program was merely a Liberal minority government ploy, announced during the frenzy of an election campaign. Or perhaps the federal government felt that more urgent urban transit problems existed in cities such as Toronto and budget constraints forced a choice. However, the important point is that the federal government decided to fund and then withdraw support for urban transit. The ensuing federal-municipal negotiations clearly demonstrate the interminglednes of Canada's federal system and emphasizes the importance of federal assistance in a matter of local concern.

CHAPTER VI

CONCLUSIONS

What does each case study reveal about the efficacy of the Edmonton Intergovernmental Information Committee? Under what circumstances does the EIIC function successfully as a vehicle for federal-provincial-municipal negotiation? What circumstances interfere with the EIIC's mandate to co-ordinate federal-provincial-municipal activities? Does the committee actively promote federal-municipal contact or does it simply respond to existing patterns of interaction? What are the effects of tri-level committees, such as the EEIC, on the federal, provincial and municipal governments? And finally, how do these three case studies alter traditional perceptions of tripartite government relations in Canada? These are just some of the questions to arise from this study, questions that will be addressed in this concluding chapter.

The case studies represent different types of issues handled by the EIIC. In the case of the planning tour, low cost, a small target group and an intangible product of the negotiations had a small impact. The issue simply did not arouse much public impact. The small impact, in turn, corresponded to a high level of participation by the EIIC bureaucratic membership, and to a low level of participation by elected officials. In the next case, the police headquarters project higher costs, a larger target group and a more tangible product of negotiations resulted in an item with a medium impact. Participation by elected officials was somewhat higher in this case than in the tour. However, most of the discussions took place amongst the civil servants.

The third case study, the Capital Assistance Program, was characterized by the highest impact: a substantial amount of money earmarked for public transit increased the stakes at the bargaining table. This particular issue almost exclusively involved elected representatives.

A distinct pattern emerges: participation of elected people varies directly with the impact of the item. (The larger the issue, the greater the political participation.) Conversely, civil servants, who make up EIIC membership, are the major participants in an item with low impact. This table illustrates the relationships.

	COST	TARGET GROUP	PRODUCT OF NEGOTIATIONS	IMPACT	PARTICIPATION
CASE 1	Low	Small	Intangible	Low	Civil Servant
CASE 2	Medium	Small-Medium	Intangible*	Low-Medium	Civil Servant Elected Rep.
CASE 3	High	Large	Tangible	High	Elected Rep.

*Intangible before the plan is actually implemented.

Since the EIIC membership included only civil servants, debate among the elected officials could not take place within the committee. Thus, items with a high impact, (generally debated in the political arena) are outside the parameters of the EIIC. In other words, the committee handled routine matters, while politically important issues were debated by elected officials.

In two of the studies, the EIIC handled matters that

fell within existing government guidelines, but when the issue necessitated policy or program changes, EIIC members had to bring in elected officials. This is seen in the tour, when the federal government attempted to use a new type of contract, and in the Capital Assistance Program, when the federal government was drafting the legislation. Intergovernmental negotiations that compel policy changes are beyond the scope of the EIIC. Tentatively, it is also possible to conclude that when general guidelines are sanctioned by elected representatives, the committee facilitates intergovernmental co-ordination.

It is difficult to determine whether or not the EIIC increased federal-municipal and federal-provincial-municipal contact. (Note the marked similarity to the chicken and egg question, which came first, the committee or the tri-level contact?) On the one hand, the convenience of an existing tripartite consultative mechanism may induce government officials to discuss matters in a tripartite forum; and on the other hand, the committee was established in response to the number of federal-provincial, federal-municipal and provincial-municipal meetings to discuss similar programs.

Edmonton officials maintain that the EIIC has increased the forces of federal and provincial officials on urban matters. According to civic administrators, Edmonton now receives more financial assistance and policy advice from the senior governments. This increase could be the result of federal-provincial competition. Ottawa might want to exceed provincial participation, and vice versa. Civic

officials also maintain that the EIIC legitimizes the federal-municipal relationship and solidifies the municipal position during negotiations with Ottawa.[1] In a quasi-formal relationship, the Federal government is less inclined to make empty promises.

Regardless of its impact on federal-municipal contact, the EIIC streamlines an otherwise cumbersome process. Take, for example, the planning tour. Arrangements would have required separate federal-provincial, provincial-municipal and federal-municipal meetings, but the tripartite meetings allowed all three governments to meet together. As an information clearing house, the committee eliminates some of the duplication and expense of separate meetings.

The committee affects each government in a different way. If, in fact, the EIIC increases both federal and provincial participation in local affairs then the municipal government may be gaining some recognition. Tri-level consultation gives the municipal government access to resources which are paid for by the other governments. The effects of tri-level consultation on the province are somewhat contradictory. While it may detract from the provincial constitutional position by legitimizing federal-municipal contact, tri-level consultation may also increase provincial concern with urban and local matters. Because the EIIC is a convenient, established mechanism, civic and federal officials may be more inclined to seek provincial support and co-operation. This is particularly

true of items similar to the police headquarters project, where the absence of provincial funding provides little incentive for municipal or federal officials to inform the province of project details. The monthly EIIC meetings are convenient, efficient opportunities for municipal officials to inform the province of the latest developments in federal-municipal contact. It is also a convenience for provincial officials who would otherwise have to contact numerous civic and federal offices to obtain up-to-date information. The EIIC provides the federal government with a device to co-ordinate its patchwork of urban programs in various departments with those of the provincial and municipal governments. And as a forum for discussion, it permits the federal government to influence provincial and municipal policies. Similarly, it gives the provicial and municipal governments an opportunity to comment on federal urban programs.

The swirls of the Canadian marble cake, or the intermingledness of Canada's federal system, are clearly illustrated by the workings of the EIIC. The tripartite and direct federal-municipal contact does not adhere to the rigid division of power emphasized in traditional interpretations of the Canadian federation. All three case studies reveal the intermingledness of Canada's federal system, thus enhancing the credibility of the marble cake view. Even the third case study, in which the federal government reneged on its election promise to fund urban transit, the raging federal-

municipal debate over CAP provisions fits the marble cake and not the layer cake view of federalism. Whether or not federal money actually reached the municipality or whether the municipality successfully influenced federal policy, the federal-municipal debate underscores the close federal-municipal relationship in Canada. This does not detract in any way from the importance of the provincial government in local tri-level consultation. Quite the reverse is true: without provincial consent, committees like the EIIC would not exist. Moreover the committee is not part of a federal-municipal conspiracy to undermine provincial constitutional hegemony. Instead, it is an administrative response to Canada's complex urban problems.

The patterns of intergovernmental contact that characterized the present federal system are too complex and intertwined to fit the neat divisions of the layer cake theory. The strength of the marble cake view is its ability to accept basic constitutional divisions while it also recognizes the ubiquitous consitutional anomolies. Unlike the layer cake view, that stresses constitutional boundaries to the exclusion of tripartite and federal-municipal contact, the marble cake perspective includes the gamut of intergovernmental contact in Canada.

FOOTNOTES, CHAPTER 1

[1]Morton Grodzins, "The Federal System", in Goals for Americans, Programs for Action in the Sixties, The Report of the President's Commission on National Goals (Columbia University: Prentice-Hall, Inc., 1960), pp. 265-75.

[2]Ibid., p. 265.

[3]Ibid., p. 266.

[4]Ibid., p. 265.

[5]Morton Grodzins, The American System: A New View of Government in the United States, edited by Daniel Elazar (Chicago: Rand McNally & Company, 1966), p. 190.

[6]Ibid., pp. 196-198.

[7]Ibid., p. 201. Participation in other ways is somewhat more complex to understand, but Grodzins notes that differences exist not between 'levels' but rather between services provided in rural and urban areas.

[8]Grodzins, The American System, p. 210.

[9]Ibid., p. 210.

[10]Ibid., p. 201.

[11]Ibid., p. 191.

[12]Ibid., p. 193.

[13]Ibid., p. 193.

[14]Ibid., pp. 191-192. Other examples include Agricultural Stabilization and Conservation Committees, Soil Conservation Districts, Rural Electrification Cooperatives and Grazing Service Advisory Boards.

[15]Ibid., p. 192.

[16]Daniel J. Elazar, American Federalism: A View from the State (New York: Thomas Y. Cromwell Company, 1966), p. 76.

[17]Ibid., p. 76.

[18]Grodzins, "The Federal System," p. 271.

[19]Ibid., p. 271.

[20]Ibid., pp. 272-74.

[21]Grodzins, The American System, p. 211.

[22]Daniel J. Elazar, The Ends of Federalism: Notes toward a Theory of Federal Political Arrangements (Philadelphia: Centre for the Study of Federalism, Temper University, 1976), p. 2.

[23]J.R. Mallory, "Disallowance and the National Interest: The Alberta Social Credit Legislation of 1937," Canadian Journal of Economics and Political Science 14 (August 1948): 342-57.

[24]The French-English cleavage is addressed in most works on the federal system.

[25]J. E. Hodgetts, "Regional Interests and Policy in a Federal Structure," in Canadian Federalism: Myth or Reality, 2nd, ed., ed. by J. P. Meekison (Toronto: Methuen, 1971), pp. 339-349.

[26]S.J.R. Noel, "Political Parties and Elite Accomodation: Interpretations of Canadian Federalism", in Canadian Federalism: Myth or Reality, pp. 121-142.

[27]P.H. Russel, Leading Constitutional Decisions, rev. ed. (Toronto: University of Toronto Press, 1973).

[28]D.V. Smiley, Canada in Question: Federalism in the Seventies, rev. ed. (Toronto: McGraw-Hill Ryerson Limited, 1976).

[29]Garth Stevenson, "Federalism and the political economy of the Canadian State," in The Canadian State: Political Economy and Political Power, ed. by Leo Panitch (Toronto: University of Toronto Press, 1977), pp. 71-100.

[30]Richard Simeon, Federal-Provincial Diplomacy, The Making of Recent Policy in Canada (Toronto: University of Toronto Press, 1972).

[31]Edwin R. Black, Divided Loyalties: Canadian Concepts of Federalism (Montreal and London: McGill-Queens University Press, 1975).

[32]J.R. Mallory, "The Five Faces of Federalism," in Canadian Federalism: Myth or Reality, pp. 55-65.

[33]Smiley, Canada in Question.

[34]Simeon, Federal-Provincial Diplomacy, p. 5.

[35]Ibid., p. 12.

[36]Ibid., p. 190.

[37]Ibid., p. 203.

[38]Black, Divided Loyalties, p. 2.

[39]Ibid., pp. 15-18.

[40]Ibid., p. 221.

[41]Ibid., p. 232.

[42]Ibid., p. 112.

[43]Ibid., p. 232.

[44]Mallory, "The Five Faces of Federalism," p. 55.

[45]Ibid., p. 55.

[46]Ibid., p. 57.

[47]Ibid., p. 59.

[48]Ibid., p. 60.

[49]Ibid., pp. 62-65.

[50]Ibid., p. 61.

[51]Smiley, Canada in Question, p. 54.

[52]Smiley, Canada in Question, p. 54.

[53]Ibid., p. 55.

[54]Ibid., p. 219.

[55]Ibid., p. 67.

[56]CMHC's Neighborhood Improvement Program offers both loans and grants to Canadian Municipalities. The Municipal Loan Fund, established in 1963, gave 400 million dollars to municipalities for local make-work projects.

[57]Grodzins, The American System, p. 198.

[58]This figure is an average for 1969/70 - 1974/75. See Table #7, Report of the Tri-Level Task Force on Public Finance, Vol. I., p. 59.

[59]"Council pay raise ethics challenged by Journal", Edmonton Journal, March 15, 1978, pp. B8-B9.

[60]Graham Fraser, Fighting Back: Urban Renewal in Trefann Court (Toronto: Hakkert, 1972). Citizens of Trefann Court successfully opposed an urban renewal scheme and managed to obtain public participation rights in another plan to revitalize the area. Also see: J. L. Granatstein, Marlborough Marathon: One Street against a Developer (Toronto: Hakkert Ltd., and James Lewis and Samuel, 1971). Residents of Marlborough, a street in Toronto, and a group of civic administrators forced Marathon Realty to accomodate community needs in a new high rise development.

[61]Stephen Clarkson, City Lib: Parties and Reform (Toronto: Hakkert, 1972), p. 21.

[62]J. F. Hough, "Voters' Turnout and the Responsiveness of Local Government" The Case of Toronto, 1969" in Politics: Canada, 3rd ed., by Paul W. Fox. (Toronto: McGraw-Hill Company of Canada Limited, 1970), pp. 284-296.

[63]R.R. Gilsdorf, "Western Alienation, Political Alienation and the Federal System: Is Federalism the Culprit or the Scapegoat?" Paper presented at the Symposium on Society and Politics in Alberta, Edmonton, April 28-30, 1977. 34.8% of the people interviewed (n= 2503) felt that the federal government was more important in their daily lives than the other two governments. 43.7% felt that way about the provincial government and only 17.2% about local government.

[64]Grodzins, The American System, p. 198.

[65]The 1935 Dominion Housing Act established local advisory committees to discern local reaction to federal housing policies and to stimulate local building and renovation. See: David G. Bettison, The Politics of Canadian Urban Development (Edmonton: University of Alberta Press, 1975), pp. 66-67.

[66]Bettison, Canadian Urban Development, p. 87.

[67]William and Nora Kelly, Policing in Canada (Toronto: The MacMillan Company of Canada Limited, 1976), p. 32.

[68]Andrew Armitage, Social Welfare in Canada: Ideals and Realities (Toronto: McClelland and Stewart Limited, 1975) p. 215.

[69]Bettison, Canadian Urban Development, p. 69.

[70]Ibid., p. 37.

[71]Ibid., p. 44.

[72]Ibid., pp. 124-130.

[73]Kelly and Kelly, Policing in Canada, pp. 65-73.

[74]Ibid., p. 31.

[75]Ibid., p. 35.

[76]In Newfoundland, the Education Act divides the province into six regions, where school districts are organized along denominational lines. See: David Munroe, The Organization and Administration of Education in Canada (Ottawa: Information Canada, 1974), p. 6

[77]T.E. Giles, Educational Administration in Canada (Calgary: Detselig Enterprises, 1974), p. 11.

[78]Canadian Tax Foundation, The National Finances 1976-77 (Toronto: Canadian Tax Foundations, 1977), p. 193.

[79]Giles, Education Administration, pp. 28-32.

[80]Canadian Tax Foundation, National Finances, 1976-77, p. 194.

[81]Harry M. Cassidy, Social Security and Reconstruction in Canada (Toronto: Ryerson Press, 1943), pp. 21-22.

[82]Armitage, Social Welfare in Canada, p. 214.

[83]D.V. Smiley, Constitutional Adaptation and Canadian Federalism Since 1945, Document of the Royal Commission on Bilingualism and Biculturalism (Ottawa: Queen's Printer, 1967), p. 3.

[84]Canadian Tax Foundation, National Finances, 1976-77, p. 99.

[85]Peter Aucoin, "Federal Health Care Policy", in Issues in Canadian Public Policy, ed, by G.B. Doern and V.S. Wilson (Toronto: MacMillan of Canada, 1974), pp. 57-58.

[86]Canadian Tax Foundation, National Finances, 1976-77, p. 127.

[87]Bettison, Canadian Urban Development, p. 61.

[88]Ibid., p. 131.

[89]Ibid., p. 296.

[90]Ministry of State for Uban Affairs, Annual Report for the Fiscal Year Ended March 31, 1973, (Ottawa: Information Canada, 1973), p. 1.

[91]David Cameron, "Urban Policy", in Issues in Canadian Public Policy, pp. 245-246.

[92]Ministry of State for Urban Affairs, Annual Reports for the Fiscal Year Ended March 31, 1973, p. 5.

[93]Ministry of State for Urban Affairs, Annual Reports 1975-76 (Ottawa: Ministry of Supply and Services, 1977), p. 2

[94]Ministry of State for Urban Affairs, Annual Report 1973-74 (Ottawa: Information Canada, 1975), p. 3.

[95]Local tri-level committees are established in several Canadian cities to deal with a wide range of specific items. Railway relocation plans are being formulated in 4 Ontario cities, Kamloops, B.C., and Regina. Urban core redevelopment schemes are being discussed in Edmonton and Quebec City and general plans are being discussed in St. Johns and Regina. Tri-level committees in Quebec City and Regina are discussing commuter and traffic studies, while water-front and harbour developments are being planned in Charlottetown and Toronto. Halifax, Winnipeg and Edmonton have permanent mechanisms for on-going discussion of tri-level matters. See: Ministry of State for Urban Affairs, Annual Report, 1976-77, pp. 10-13.

[96]Smiley, Canada in Question, p. 103.

[97]Ibid., p. 105.

[98]Ibid., p. 109.

[99]Jack K. Masson, "The Demise of 'Alphabet Parties', The Rise of Responsible Party Politics in Cities," Occasional Paper #4, University of Alberta, Department of Political Science, Edmonton, p. 9.

[100]Ibid., p. 2.

[101]George A. Nader, Cities of Canada, Volume I, Theoretical Historical and Planning Perspectives (Toronto: MacMillan Company of Canada, 1975), p. 286.

[102]Ibid., p. 281.

[103]It is difficult for Canadian municipalities to increase their tax revenue. The property tax, being regressive, is usually a relatively greater burden on low-income families. And the level of service is often not commensurate with the level of generated revenue, since low denisty areas require more services than can be provided by generated revenue (The converse is true of high-denisty areas.) Because property taxes are higher on improved or well-maintained buildings owners who allow their property to deteriorate are in essence rewarded by lower property taxes. Municipalities often consider potential tax revenue in land use planning, may forego unfavorable social consequences in favor of an enlarged tax base. Utility fees also create an inordinate burden on low-income families and debentures, since they must be repaid with interest, are not a satisfactory alternative source of municipal income. See: Nader, Cities of Canada, pp. 281-286.

[104]See Appendix: Table 4.0: Municipal Revenue Derived from Transfer Payments.

[105]Canadian Tax Foundation, Provincial and Municipal Finances (Toronto: Canadian Tax Foundation, 1975), p. 136.

[106]See Appendix: Table 3.0: Government of Canada Transfers to Local Governments, by Province.

FOOTNOTES, CHAPTER II

[1]Rules of Procedure, Edmonton Intergovernmental Information Committee.

[2]Arend Lijphart, "Comparative Politics and the Comparative Method," American Political Science Review 65 (September 1971): 691.

[3]Minutes, Meetings #1, #2 and #3, Edmonton Intergovernmental Information Committee; March 14, 1975, April 14, 1975; and May 16, 1975.

[4]Minutes, Meetings #1-#12, Edmonton Intergovernmental Information Committee, March 14, 1975 to April 1, 1976.

[5]Lijphart, "Comparative Politics and the Comparative Method" : 685-687.

[6]Members of Parliament, Members of the Legislative Assembly, and civic mayors and aldermen are the elected representatives. They will be referred to as elected officials or elected representatives. Civil servants employed by the three governments will be referred to as civil servants public servants, bureaucrats or simply officials.

[7]Generally the impact of a policy means the actual effect that policy has on the public, the end product of a government policy. But here the work refers to the potential impact that a policy has on the public and to the amount of public interest created by a project. See: Robert L. Lineberry and Ira Sharkansky, Urban Politics and Public Policy, 3rd ed. (New York: Harper & Row, Publishers, 1978), pp. 12-13.

[8]Files: Department of Federal and Intergovernmental Affairs.

FOOTNOTES, CHAPTER III

[1]Files: Department of Federal and Intergovernmental Affairs.

[2]Ibid.

[3]Minutes, Meeting #1, Edmonton Intergovernmental Information Committee, March 14, 1975.

[4]Minutes Meeting #3, Edmonton Intergovernmental Information Committee, May 16, 1975.

[5]Ibid.

[6]Files: Department of Federal and Intergovernmental Affairs.

[7]Ibid.

[8]Ibid.

[9]Letter: Dr. Harold Dyck to Lorna Pawluk. 29 August 1977.

[10]Files: Department of Federal and Intergovernmental Affairs.

[11]Ibid.

[12]Ibid.

[13]Ibid.

[14]Minutes, Meeting #6, Edmonton Intergovernmental Information Committee, October 9, 1975.

[15]Minutes, Meeting #7, Edmonton Intergovernmental Information Committee, November 6, 1975.

[16]Files: Department of Federal and Intergovernmental Affairs.

FOOTNOTES, CHAPTER IV

[1]Files: Department of Federal and Intergovernmental Affairs.

[2]The cost, originally estimated at $500,000 was later increased to $675,000.

[3]Minutes, Meeting #1, Edmonton Intergovernmental Information Committee, March 14, 1975.

[4]Files: Department of Federal and Intergovernmental Affairs.

[5]Minutes, Meeting #3, Edmonton Intergovernmental Information Committee, May 16, 1975.

[6]Ibid.

[7]Files: Department of Federal and Intergovernmental Affairs.

[8]Ibid.

[9]Ibid.

[10]Ibid.

[11]Ibid.

[12]Minutes, Meeting #4, Edmonton Intergovernmental Information Committee, July 29, 1975.

[13]Ibid.

[14]Files: Department of Federal and Intergovernmental Affairs.

[15]Ibid.

[16]Ibid.

[17]Minutes, Meeting #5, Edmonton Intergovernmental Information Committee, September 8, 1975.

[18]Minutes, Meeting #6, Edmonton Intergovernmental Information Committee, October, 1975.

[19]Minutes, Meeting #7, Edmonton Intergovernmental Information Committee, November 6, 1975.

[20]Files: Department of Federal and Intergovernmental Affairs.

[21]Ibid.

[22]Minutes, Meeting #8, Edmonton Intergovernmental Information Committee, December 5, 1975.

[23]Minutes, Meeting #9, Edmonton Intergovernmental Information Committee, January 9, 1976.

[24]Minutes, Meeting #10, Edmonton Intergovernmental Information Committee, February 5, 1976.

[25]Minutes, Meeting #11, Edmonton Intergovernmental Information Committee, March 11, 1976.

[26]Ibid.

[27]Files: Department of Federal and Intergovernmental Affairs.

[28]Ibid.

FOOTNOTES, CHAPTER V

[1]"Promised in 1974, $290 million transit plan dead", Globe and Mail, 18 February 1977, p. 29.

[2]Minister of State for Urban Affairs, News Release, "Capital Assistant Program for Urban Transportation Announced." July 30, 1975, p. 1.

[3]"Rapid Transit progress made during 1973," Edmonton Journal, January 6, 1974, p. 11.

[4]"City gets $45 million for rapid transit." Edmonton Journal, June 4, 1974, p. 1.

[5]The original estimates placed the total cost at $54.7 million but it was later revised to $64.4 million. The city which was responsible for costs in excess of the provincial contribution, had to raise $9.7 million and later $20 million.

[6]Minutes, Meeting #1, Edmonton Intergovernmental Information Committee, March 14, 1975.

[7]Files: Department of Federal and Intergovernmental Affairs.

[8]Canada, Parliament, Commons Debates, Vol. IV, 1st Session, 30 Parliament, March 10, 1975, p. 3932.

[9]Canada, Parliament, Commons Debates, Vol IV, 1st Session, 30 Parliament, March 7, 1975, p. 3883.

[10]Minutes, Meeting #2, Edmonton Intergovernmental Information Committee, April 10, 1975.

[11]Files: Department of Federal and Intergovernmental Affairs.

[12]Ibid.

[13]Minutes, Meeting #3, Edmonton Intergovernmental Information Committee, May 10, 1975.

[14]Minister of State for Urban Affairs, News Release "Capital Assistance Program," p. 1.

[15]Ibid., p. 3.

[16]Ibid., p. 1.

[17]Ibid., p. 1.

[18]Files: Department of Federal and Intergovernmental Affairs.

[19]Paul Jackson, "Edmonton reassured on transit", Edmonton Journal, October 17, 1975, p. 11.

[20]Files: Department of Federal and Intergovernmental Affairs.

[21]Ibid.

[22]Minutes, Meeting #7, Edmonton Intergovernmental Information Committee, November 6, 1975.

[23]Minutes, Meeting #8, Edmonton Intergovernmental Information Committee, December 5, 1975.

[24]Files: Department of Federal and Intergovernmental Affairs.

[25]Ibid.

[26]Ibid.

[27]Canada, Parliament, Commons Debates, Vol VIII, 1st Session, 30 Parliament, October 14, 1975, p. 3218.

[28]Ibid., p. 3218.

[29]Ibid., p. 3219.

[30]Ibid., p. 3219.

[31]Files: Department of Federal and Intergovernmental Affairs.

[32]Ibid.

[33]Ibid.

[34]Ibid.

[35]Ibid.

[36]Ibid.

[37]Files: Department of Federal and Intergovernmental Affairs.

[38]Jeffrey Simpson, "Municipal officials less than enchanted: Ottawa retreats from transit aid plan", Globe and Mail, January 25, 1977, p. 9.

[39]Ibid.

[40]Ibid.

[41]Ibid.

[42]Ibid.

[43]"Promised in 1974, $290 million transit plan dead," Globe and Mail, February 18, 1977, p. 29.

[44]Ed Broadbent, Leader of the NDP, rose under standing order #43 and introduced a motion condemning the Liberal decision. Sinclair Stevens, leading the Conservative assault invited the finance minister to travel on a commuter train to experience, first hand, the inadequate facilities; Canada Parliament, Commons Debates, Vol 120, No. 70, 2nd Session, 30 Parliament, February 18, 1977, pp. 3181-3182. Several Liberal Backbenchers, including Frank Philbrook (Halton) David Collenette (York East), Aideen Nicholson (Trinity) and Martin O'Connell (Scarborough East), joined the assault; John King, "Liberal MPs consider Commons revolt over transit cuts", Globe and Mail, February 25, 1977, pp. 1-2.

FOOTNOTES, CHAPTER VI

[1]Interview with Tom Forgrave, Director, Executive Services, City of Edmonton, October 18, 1978.

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Letter, Harold Dyck, Deputy Minister, Urban Affairs, Government of Saskatchewan to Lorna Pawluk. August 29, 1977.

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APPENDIX I: Transfer Payments to Municipalities

The gap between municipal revenues and expenditures is partially filled by conditional and unconditional grants from the provincial and federal government. Because the senior governments are generally reluctant to transfer funds over which they have no control, the vast majority of transfers to municipalities are conditional.

Tables 1.0 and 1.1 list the total provincial transfers to Canadian municipalities. Between 1969/70 and 1974/75, total provincial contributions to all local governments almost doubled from $2958.3 million to $5632.8 million. Of this amount, education grants constitute roughly 70%. The next largest areas are health (10%), transportation and communications (8.5%) and social services (6%).[1] The largest growth occured in housing, where the provincial contribution increased almost twenty-times, from $3.1 million to $6.6 million.

Despite constitutional considerations, municipalities do receive direct aid from the federal government. Tables 2.0 and 2.1 show that grants-in-lieu of taxes and conditional transfers from the federal government constitute about 1% of municipal revenue. Between 1969/70 and 1974/75, specific purpose transfers quadrupled from $36.7 to $124.5 million. Transfers to deal with the environment (sewage treatment falls in this category) are consistently the highest amount (28%) with housing a close second.[2] Recreation and culture is the third largest category at 18%[3] and also shows the

largest increase. During the six years covered by the Tri-Level Task Force on Public Finance, transportation and communications grants have doubled, while those for health and welfare have been phased out.

The breakdown of federal conditional grants, as outlined in tables 3.0 and 3.1, reveals interesting trends. Ontario consistently receives the largest single grant, except during the 1974/75 fiscal year. Not surprisingly, the smallest province, Prince Edward Island, received the smallest amount of federal assistance. All of the provinces, except Saskatchewan and New Brunswick received larger grants in 1974/75 than in 1969/70. Quebec showed the largest absolute increase and British Columbia the second largest. British Columbia showed the largest relative increase: the 1974/75 sum was almost four times the 1969/70 grant. Federal grants to Alberta and Manitoba almost doubled in the six year period.

TABLE 1.0 PROVINCIAL TRANSFERS TO LOCAL GOVERNMENTS, BY PURPOSE

- in $ million -

	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
General Government	1.2	.7	4.6	6.8	9.0	4.5
Protection	18.8	27.3	11.2	13.1	25.7	44.0
Transportation and Communication	249.3	272.4	299.1	296.1	383.4	419.2
Health	286.6	333.5	384.3	392.6	383.4	439.5
Social Services	115.5	174.1	225.8	267.5	268.1	298.7
Education	1924.4	2274.6	2645.4	2812.2	2986.4	3356.4
Recreation and Culture	12.9	12.1	20.6	27.2	39.3	57.3
Natural Resources	-	-	5.8	22.6	-	-
Agriculture, Trade and Industry	-	-	1.8	2.3	-	-
Environment	13.7	21.8	24.6	30.9	40.5	67.7
Housing	3.1	-	5.5	7.4	37.4	66.9
Regional Development	-	-	14.6	20.9	-	-
Other	6.5	15.8	11.6	26.4	59.1	85.8
TOTAL	2631.9	3130.3	3654.9	3926.0	4187.4	4840.0

Source: Tri-Level Task Force on Public Finance, Volume I. Tri-Level Database.

TABLE 1.1 PROVINCIAL TRANSFERS TO LOCAL GOVERNMENTS, BY PURPOSE

- as a percentage -

	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
General Government	.04	.02	.12	.17	.21	.09
Protection	.71	.87	.31	.33	.61	.91
Transportation and Communication	9.47	8.70	8.18	7.54	8.08	8.66
Health	10.89	10.65	10.51	10.00	9.15	9.08
Social Services	4.39	5.56	6.18	6.75	6.40	6.17
Education	73.11	72.66	72.37	71.63	71.31	69.20
Recreation and Culture	.49	.39	.56	.72	.94	1.18
Natural Resources	-	-	.16	.57	-	-
Agriculture, Trade and Industry	-	-	.05	.06	-	-
Environment	.52	.70	.67	.79	.98	1.40
Housing	.12	-	.15	.19	.89	1.38
Regional Development	-	-	.40	.53	-	-
Other	.25	.50	.32	.67	1.41	1.77
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00

Source: Report of the Tri-Level Task Force on Public Finance, Volume I Tri-Level Database.

TABLE 2.0 FEDERAL SPECIFIC TRANSFERS TO LOCAL GOVERNMENTS, BY PURPOSE

	- $ million -					
	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
General Government	-	-	.5	2.73	.4	1.3
Protection	.1	-	.2	.2	.4	3.2
Transportation and Communication	6.5	19.3	5.6	5.8	8.9	13.3
Health	1.0	-	-	-	-	-
Social Services	.10	-	-	-	-	-
Education	1.7	-	-	-	-	-
Recreation and Culture	-	.5	15.6	13.9	16.5	22.9
Natural Resources	-	-	.5	1.7	-	-
Agriculture, Trade and Industry	-	-	2.1	.5	-	-
Environment	10.8	7.3	21.8	27.4	20.9	45.9
Housing	4.30	2.2	40.8	77.8	31.7	37.8
Regional Development	-	-	-	-	-	-
Other	11.00	1.3	1.3	5.2	-	-
TOTAL	36.7	30.6	88.4	95.00	78.9	124.5

Source: Report of the Tri-Level Task Force on Public Finance, Vol. I
Tri-Level Database.

TABLE 2.1 FEDERAL SPECIFIC TRANSFERS TO LOCAL GOVERNMENTS, BY PURPOSE

- as a percentage -

	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
General Government	-	-	.56	2.73	.51	1.04
Protection	.27	-	.23	.21	.51	2.57
Transportation and Communication	17.71	63.07	6.34	6.10	11.28	10.68
Health	2.72	-	-	-	-	-
Social Services	.27	-	-	-	-	-
Education	4.63	-	-	-	-	-
Recreation and Culture	-	1.36	17.64	14.63	20.91	18.39
Natural Resources	-	-	.56	1.79	-	-
Agriculture, Trade and Industry	-	-	2.37	.53	-	-
Environment	29.42	23.85	24.66	28.84	26.49	36.86
Housing	11.71	7.19	46.15	81.89	39.37	30.36
Regional Development	-	-	-	-	-	-
Other	29.97	4.42	1.47	5.47	-	-
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00

Source: Tri-Level Task Force on Public Finance, Volume 1. Tri-Level Database.

TABLE 3.0 GOVERNMENT OF CANADA SPECIFIC TRANSFERS AND GRANTS IN LIEU OF TAXES TO LOCAL GOVERNMENTS, BY PROVINCE

- $ million -

		1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
NFLD	SPECIFIC	2.0	1.6	3.4	4.6	4.2	4.1
	GENERAL	0.2	0.2	0.2	0.2	0.3	0.4
	TOTAL	2.2	1.8	3.6	4.8	4.5	4.5
PEI	S	-	-	0.4	0.5	1.0	0.8
	G	0.2	0.2	0.2	0.1	0.2	0.1
	T	0.2	0.2	0.6	0.6	1.2	0.9
NS	S	3.2	1.0	2.5	1.9	4.7	3.7
	G	3.4	4.1	3.8	4.1	5.1	4.3
	T	6.6	5.1	6.3	6.0	9.8	8.0
NB	S	4.4	2.4	3.1	2.9	2.9	2.6
	G	0.5	0.5	0.7	0.7	0.7	0.6
	T	4.9	2.9	3.8	3.6	3.6	3.2
QUE	S	6.1	13.2	22.1	27.6	27.5	25.4
	G	8.4	8.9	10.1	9.6	12.6	12.6
	T	14.5	22.1	32.2	37.2	40.1	38.0
ONT	S	23.1	22.3	31.9	29.0	29.6	24.8
	G	23.1	26.3	26.9	31.6	28.4	33.1
	T	46.2	48.6	58.8	60.6	58.0	57.9

TABLE 3.0 (continued....)

		1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
MAN	S	2.1	3.0	5.1	5.0	4.6	4.7
	G	2.4	3.1	3.3	3.5	4.3	5.1
	T	4.5	6.1	8.4	8.5	8.9	9.8
SASK	S	2.1	1.8	3.2	2.2	1.6	1.8
	G	1.3	1.5	1.5	1.7	1.7	1.9
	T	3.4	3.3	4.7	3.9	3.3	3.7
ALTA	S	3.2	2.9	5.7	7.2	6.0	6.0
	G	2.8	2.8	3.0	3.0	3.5	3.5
	T	6.0	5.7	8.7	10.2	9.5	9.5
BC	S	2.0	2.7	5.0	7.4	18.3	15.4
	G	3.9	3.9	4.8	5.0	5.0	5.5
	T	5.9	6.6	9.8	12.4	23.3	20.9
TOTAL	S	48.2	50.9	82.4	88.3	100.4	98.3
	G	46.2	51.5	54.5	59.5	61.8	67.1
	T	94.4	102.4	136.9	147.8	162.2	156.4

Source: Report of the Tri-Level Task Force on Public Finance, Vol. I Tri-Level Database.

TABLE 4.0 GROSS MUNICIPAL REVENUE DERIVED FROM TRANSFER PAYMENTS[1]

	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
Provincial Contribution						
$ million	2958.3	3467.9	4105.0	4450.2	4831.6	5632.8
%	42.2	46.4	46.4	46.4	47.0	49.3
Federal Contribution						
$ million	36.7	30.6	88.4	95.0	78.9	124.5
%	.5	.4	1.0	1.0	.8	1.1
Total Municipal Revenue						
$ million	7006.5	7862.0	8841.7	9588.9	10223.0	11425.7

[1]Source: Tri-Level Task Force on Public Finance, Report, Vol. I Tri-Level Database.

FOOTNOTES, APPENDIX

[1]These figures represent the average percent over the six fiscal years.

[2]Unusually high federal transfers in 1971/72 and 1972/73 artificially increase the average to 36% over six years, but the average of 1969/70, 1970/71, 1973/74 and 1974/75 is roughly 22%.

[3]This figure is an average of 1971/72 inclusive to 1974/75.

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